

**Chicago Title wants your clients to have the protection they need, deserve and expect!!**

**ALTA Commitment for Title Insurance (08-01-2016)**

Beginning Monday, October 16, 2017, Commitments issued by many of our Chicago Title, North Carolina, offices will have a new modern look – ***The ALTA Commitment for Title Insurance (08-01-2016)***. This new nationally adopted form provides in relevant part:

“This Commitment is effective as of the Commitment Date shown in Schedule A for each Policy described in Schedule A, **only when the Company has entered in Schedule A both the specified dollar amount as the Proposed Policy Amount and the name of the Proposed Insured.**”

In order to issue a valid and binding commitment to provide actual protection for your customers and clients, our family of companies has taken the position that we must include that specific information above, i.e., the Proposed Policy Amount and the Proposed Insured, rather than following the historical path simply saying “to be determined” – leaving significant ambiguity on whether there is any coverage at all!

**PROPOSED INSURED OWNER and/or PROPOSED INSURED LENDER:**

We realize there are a myriad of reasons why you may not know or be able to disclose the identity of the ultimate Proposed Insured. You may represent a relocation company “buying” the property off record, but ultimately selling to a third-party purchaser. Your purchaser may be a larger parent company which will take title in a special purpose entity, not yet named or formed. The purchaser may not yet be under contract or may not yet be ready for their participation to be revealed to anyone, even under the privacy restrictions of a title insurance policy.

So, for Commitments issued for which you do not or cannot at the time of issuance provide a viable Proposed Insured; we have formed a North Carolina limited liability company, wholly owned by Chicago Title and sister companies, named **TBD, LLC** (North Carolina Secretary of State filing [SOSID #1595213](#)) to serve as the Proposed Insured, whether owner or lender or both, until such time as you can provide to us in writing the actual designated Proposed Insured for the transaction.

Any Commitment issued with TBD, LLC, as the Proposed Insured will include the below Requirement:

Company must be provided with the name(s) of the actual Proposed Insured(s) for the transaction to be insured (i.e., not "TBD, LLC,") in writing prior to closing and this Commitment revised to reflect that information. TBD, LLC, will NOT take title, represent or become agent for any party on any matter, handle any funding, or become the Insured. The Company may include additional Requirements or Exceptions in the revised Commitment including the following if the actual Proposed Insured(s) is/are an entity/entities: Verification as of closing of (1) the due organization and good standing of the actual Proposed Insured(s) (herein "Entity") in its state or country of organization and (2) authority of individual(s) executing documents on behalf of Entity to enter into the transaction to be insured on its behalf.

**PROPOSED POLICY AMOUNT (owner’s or loan):**

If you are unable to provide even an estimate of the Proposed Policy Amount at the time of the request to issue a commitment, we can enter an estimate based on factors such as prior policy amount, prior loan amount (for a refinance), or other information from your Preliminary Title Opinion. Or, we will simply enter a placeholder amount of \$10,000.00 so the Proposed Insureds at least have some minimal protection until you have more coverage information you can share.

Any Commitment issued with a coverage amount estimated by Chicago Title will include the below Requirement (based on N.C. Gen. Stat. § 58-26-1):

The Proposed Policy Amount(s) must be increased to the full value of the estate or interest being insured, and any additional premium must be paid at that time. An Owner’s policy should reflect the purchase price of the Land. A Loan Policy should reflect the loan amount. Proposed Policy Amount(s) will be revised and premiums charged consistent therewith when the final amounts are approved.

Again, our absolute goal and priority is that your clients have the coverage they anticipate when they ask for a Commitment for Title Insurance. We trust that these guidelines and practices will assure Proposed Insureds that they are actually obtaining the protection they need and deserve!