

Title

FREQUENTLY ASKED ^ QUESTIONS

December 2014

Q We have been asked to issue a “pro forma” policy. How do we go about doing that?

A A “pro forma” policy is a sample of how a policy for a specific file will appear assuming that all of the title requirements are met. They are often requested in connection with more complex commercial transactions.

To issue a pro forma policy, one would prepare the policy schedules as if all requirements were met.

- The date of the policy should be “date of closing or date of recording of the Insured Mortgage, whichever is later”.
- The mortgage recital should include blanks where the dates and recording information would be included.
- The word “specimen” or “pro forma” would be inserted in place of the actual policy number on all schedules and on the policy jacket itself.
- The following language must be included on Schedule B of the policy (or in a letter accompanying the policy):

This specimen policy is being provided as a courtesy; as such, it does not grant insurance nor bind the Company to insure in accordance with the terms of this specimen policy; the failure to include certain exceptions and/or requirements herein does not constitute a waiver of same by the Company.

As always, feel free to address any questions to a member of our underwriting staff.