

# VIRGINIA ACTS OF ASSEMBLY -- 2005 SESSION

## CHAPTER 848

*An Act to amend and reenact § 38.2-4608 of the Code of Virginia, relating to title insurance rates.*

[H 2821]

Approved March 26, 2005

**Be it enacted by the General Assembly of Virginia:**

**1. That § 38.2-4608 of the Code of Virginia is amended and reenacted as follows:**

§ 38.2-4608. Title insurance rates.

A. Title insurance risk rates shall be reasonable and adequate for the class of risks to which they apply. Risk rates shall not be unfairly discriminatory between risks involving essentially the same hazards and expense elements. The rates may be fixed in an amount sufficient to furnish a reasonable margin for profit after provision for (i) probable losses as indicated by experience within and without this Commonwealth, (ii) exposure to loss under policies, (iii) allocations to reserves, (iv) costs of participating insurance, (v) operating costs, and (vi) other items of expense fairly attributable to the operation of a title insurance business.

B. Policies may be grouped into classes for the establishment of rates. A title insurance policy that is unusually hazardous to the title insurance company because of an alleged defect or irregularity in the title insured or because of uncertainty regarding the proper interpretation or application of the law involved, may be classified separately according to the facts of each case.

C. Title insurance risk rates shall not include charges for abstracting, record searching, certificates regarding the record title, escrow services, closing services, and other related services that may be offered or furnished, or the cost and expenses of examinations of titles.

D. Any title insurance company may issue, publish and use price schedules for title insurance and for any separate or related services, or schedules setting forth one price covering the risk rate and the charges for any separate or related services.

*E. A title insurance company or title insurance agent may charge risk rates that it negotiates with any potential insured. Such negotiated rates shall be presumed not to be unfairly discriminatory and not to violate § 38.2-509 if such rates comply in all other respects with subsection A.*