



# Oregon

## Department of Consumer and Business Services

Insurance Division  
350 Winter St. NE, Room 440  
PO Box 14480  
Salem, OR 97301-0405  
(503) 947-7980  
FAX (503) 378-4351  
TTY (503) 947-7280  
[www.oregoninsurance.org](http://www.oregoninsurance.org)

### INSURANCE DIVISION BULLETIN INS 94-2

**DATE:** March 1, 1994

**TO:** All Title Insurers and Title Insurance Agents in Oregon

It has come to our attention that the title industry is using Schedule B in title insurance policies to provide additional coverage in the case of two mortgages applying to one piece of property, especially when one mortgage is a fixed interest rate and the other is a variable rate.

Adding coverage through the use of Schedule B constitutes usage of unauthorized rates and forms in contravention of ORS 737.320 and 742.003.

This is not the intention of Schedule B. This schedule is used for exceptions from coverage and clarification of those exemptions only. Additional coverage should be provided for by endorsements with appropriate rate schedules which are filed subject to prior approval by this division.

Any requests for special endorsements should follow the guidelines from the division letter of March 8, 1991, which stated, "all affirmative coverages written into policy schedules require the same approvals as special endorsements, except for affirmative coverages clarifying the effect of an exception on policy coverages otherwise being provided."

All title insurers and title insurance agents in Oregon should cease this activity of providing such additional coverages in Schedule B. Failure to do so will result in sanctions.

Two policies should be issued until such time as an appropriate endorsement is filed and approved by this division.

The Insurance Division is working with the Oregon Land Title Association to develop an appropriate product.

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**Mary Alice Bjork**

Administrator, Insurance Division

Department of Consumer and Business Services