

**EXHIBIT B**

**R-5. Simultaneous Issuance of Owner's and Loan Policies**

- A. An Owner's Policy must be issued at the Basic Rate, and the premium for each Loan Policy must be \$100.00, if:
  - 1. all policies are issued simultaneously;
  - 2. all policies bear the same date;
  - 3. each Loan Policy covers the same land—or part of the land—covered by the Owner's Policy and covers no other land;
  - 4. the Owner's Policy shows the lien(s) insured by each Loan Policy as an exception; and
  - 5. the amount of the Loan Policy(ies) does not exceed the amount of the Owner's Policy.
- B. When the amount of the Loan Policy(ies) exceeds the amount of the Owner's Policy:
  - 1. the Basic Rate must be charged for the Owner's Policy; and
  - 2. the premium charged for the Loan Policy(ies) must be:
    - a. the Basic Rate for the combined Loan Policy amounts; minus
    - b. the Basic Rate for the Owner's Policy; plus
    - c. \$100.00 for each Loan Policy.
- C. When there is an existing Owner's Policy(ies) and improvements are now immediately contemplated:
  - 1. the premium for the new Owner's Policy must be reduced by a credit as provided in Rate Rule R-3, if the new policy:
    - a. covers the identical property covered by the existing Owner's Policy(ies);

- b. is dated within four years of the existing Owner's Policy(ies); and
    - c. includes the exception and liability paragraph provided in Procedural Rule P-8.a.
  2. The credit applies only when the ownership of the property has not changed.
  3. The premium for the Owner's Policy must not be less than the minimum Basic Rate.
- D. When there is an existing Owner's Policy(ies) insuring residential property that did not include the exception and liability paragraph provided in Procedural Rule P-8.a and improvements are now completed:
  1. The premium for a new Owner's Policy(ies) must be reduced by a credit as provided in Rate Rule R-3, if the new Owner's Policy:
    - a. is in an amount greater than the existing Owner' Policy(ies);
    - b. covers the identical property covered by the existing Owner's Policy(ies); and
    - c. is dated within four years of the existing Owner's Policy(ies);
  2. The credit only applies when the ownership of the property has not changed; and
  3. The premium collected for the Owner's Policy must not be less than the minimum Basic Rate.
- E. When an Owner's Policy is issued as provided in Rate Rule R-2.b, and the Loan Policy is issued as provided in Rate Rule R-2.a,
  1. the premium for the Owner's Policy must be \$100.00, and the premium for the Loan Policy must be the Basic Rate, if:
    - a. both policies are issued simultaneously;
    - b. both policies bear the same date;

- c. the amount of the Owner's Policy(ies) does not exceed the amount of the Loan Policy;
    - d. the Owner's Policy covers the same land—or part of the land—covered by the Loan Policy and covers no other land; and
    - e. both policies include the exception and the liability paragraph or the pending disbursement paragraph, as applicable, provided in Procedural Rule P-8.
  2. When the amount of the Owner's Policy(ies) exceeds the amount of the Loan Policy, the premium charged for the Owner's Policy must be:
    - a. the Basic Rate; plus
    - b. \$100.00; minus
    - c. the Basic Rate for the Loan Policy to be paid as provided in Rate Rule R-2.a.
  3. The credit provided in Rate Rule R-3 must be given against the premium for the new Loan Policy, if:
    - a. the existing Owner's Policy(ies) covers the identical property to be covered by the new Owner's Policy; and
    - b. ownership of the property has not changed.
- F. When an Owner's Policy is issued with a policy amount of \$5,000,000.00 or more and bears the date and time of recording of the insured instrument:
  1. the premium for each Loan Policy must be \$100.00, if:
    - a. the Loan Policy(ies) is issued within 90 days after the date of the Owner's Policy;

- b. the Loan Policy(ies) covers the same land—or part of the land—covered by the Owner's Policy and covers no other land;
  - c. ownership of the property has not changed; and
  - d. the amount of the Loan Policy(ies) does not exceed the amount of the Owner's Policy, and
2. if the conditions in paragraphs F.1.a, F.1.b, and F.1.c are met, but the amount of the Loan Policy(ies) exceeds the amount of the Owner's Policy, the premium charged for the Loan Policy(ies) must be:
- a. the Basic Rate for the combined Loan Policy amounts; minus
  - b. the Basic Rate for the Owner's Policy; plus
  - c. \$100.00 for each Loan Policy.

THIS RULE MAY NOT BE APPLIED in connection with the issuance of a series of Loan Policies issued by reason of notes being apportioned to individual units in connection with a master policy covering the aggregate indebtedness, including improvements. Except as otherwise provided in this rule, individual Loan Policies must be issued at the Basic Rate.