

Title Basic Premium Calculation for Policies in Excess of \$100,000

Using the table below, apply these steps to determine basic premium policies above \$100,000:



STEP 1

In Column 1, find the range that includes the policy's face value.



STEP 2

Subtract the value in Column 2 from the policy's face value.



STEP 3

Multiply the result in Step 2 by the value in Column 3 and round to the nearest dollar.



STEP 4

Add the value in Column 4 to the result of the value from Step 3.

Column 1	Column 2	Column 3	Column 4
Policy Range	Subtract	Multiply By	Add
\$100,001 - \$1,000,000	100,000	0.00527	\$832
\$1,000,001 - \$5,000,000	1,000,000	0.00433	\$5,575
\$5,000,001 - \$15,000,000	5,000,000	0.00357	\$22,895
\$15,000,001 - \$25,000,000	15,000,000	0.00254	\$58,595
\$25,000,001 - \$50,000,000	25,000,000	0.00152	\$83,995
\$50,000,001 - \$100,000,000	50,000,000	0.00138	\$121,995
Greater than \$100,000,000	100,000,000	0.00124	\$190,995

R-8. Loan Policy on a Loan to Take Up, Renew, Extend, or Satisfy and Existing Lien(s)

When a Loan Policy is issued on a loan that fully takes up, renews, extends, or satisfies one or more existing liens that are already insured by one or more existing Loan Policies, the new Loan Policy must be in the amount of the note of the new loan. The premium for the new Loan Policy is reduced by a credit. The credit is calculated as follows:

- A. Calculate the Basic Premium on the written payoff balance of the existing loan or the original amount of that loan, whichever is less; and
- B. Multiply by the percentage below for the time from the existing Loan Policy date to the new Loan Policy date:
 1. 50% when four years or less;
 2. 25% when more than four years but less than eight years; or

After eight years from the date of the Loan Policy insuring the existing loan, the Basic Rate must apply.

For more information or to calculate your exact rate please visit our website at www.fnti.com.

The information contained herein is obtained from the Texas Department of Insurance.



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