

FREQUENTLY ASKED QUESTIONS

1. What is FeeSimpleHosting (FSH)?

FeeSimpleHosting is a simple, swift, inexpensive, and universal method of exchanging prior files. Its objective is total industry-wide use: every title insurer and every title insurance policy.

2. What is the FeeSimpleHosting Prior Policy Center?

The center is an internet-based electronic repository into which participating title insurers post copies of every title insurance policy they issue, and from which their authorized policy issuing offices access the pool of policies for use in preparing new policies.

3. Is there a cost to become a Participating Title Insurer? Are there entrance fees or dues?

No.

4. What does it cost an issuing office to join? Are there entrance fees or dues?

No. Issuing offices pay fees only to retrieve prior policies.

5. What is so unique about FSH?

It was built by an independent group with no affiliation with any title insurance company or bloc or interest inside or outside the title industry.

6. Can any title underwriter participate in FSH?

Yes, it is open to all licensed title insurers in the United States on exactly the same basis.

7. Why is FSH said to be “underwriter-centric”?

Because it’s base contractual relationships are with licensed title insurers at the corporate level.

8. What is the major benefit to participating in FSH?

Process savings of about \$100 per case and eventually one billion in process savings per year as a significant portion of an issuing office’s title company’s search/exam/claims/indemnities infrastructure is eliminated. Benefits also include faster turnaround times and reduced title claims among others.

9. What is the major responsibility of Participating Title Insurers to FSH?

It is to make certain that copies of title insurance policies they issue are posted, together with prescribed index information, to the Prior Policy Center.

10. Are there limitations on the prior policies an issuing office can retrieve?

An issuing office can only access policies covering real estate located in its area of authorization.

11. Is there any restriction on how policies retrieved from the center may be used?

Policy copies may be retrieved for use in preparing new policies of title insurance to be underwritten by Participating Title Insurers, and for no other purpose.

12. What is so unusual about the FSH pricing formula?

FeeSimpleHosting's pricing formula is unique and simple, counting heavily on incentives. It attempts to fairly distribute the many benefits. It builds value in FeeSimpleHosting.

13. Does an office have to pay to retrieve its own policies, that is, policies it posted to the Prior Policy Center in the first place?

Only a small portion of the retrieval fee is charged in these cases, usually \$8.00, which is used to maintain the Prior Policy Center.

14. What document established FSH and contains the essential guiding principles of FSH?

The Charter, a part of the company's By Laws.

15. What are the governing documents of FSH?

Participation Agreement, Charter, Rules, Regulations, and Operating Bulletins

16. Where is a list of the major rules directing FSH?

A list of the most important rules can be found the "Rules" section of Presenting FeeSimpleHosting. A more comprehensive list is found on the FeeSimpleHosting in Detail compact disk

17. Where is the detailed list of rules and regulations?

This detailed list will be published at the time quorum is achieved and before operations commence.

18. What assurances are there that the policies posted and then retrieved contain correct information?

Participating Title Insurers warrant that Prior Policy Records they cause to be posted to the Prior Policy Center are copies of title insurance policies issued by them in the regular course of their title insuring businesses, that they have taken reasonable measures to assure that such policy copies are identical to the issued policies, and make no other promises, warranties, or covenants of any kind

19. Who owns the copies of the policies posted to the center?

Copies of policies contained in the Prior Policy Center are the property of the Participating Title Insurer which underwrote them.

20. Who owns the Master Policy Index?

The Prior Policy Center's Master Policy Index, together with the software and systems which maintain and operate it, are the exclusive property of FeeSimpleHosting, Inc.

21. Why is Quorum such an important issue?

Because FeeSimpleHosting will not go forward unless title insurers totaling 80% or more in national market share agree to participate before January 31, 2002.

22. Why is 80% or more a requirement for FSH to go forward?

Universal industry participation is a key goal and requirement of FeeSimpleHosting. Its studies show that although finding an on-the-money prior policy saves significant costs, and finding a prior policy most of the time saves a great deal more in costs, knowing for certain that the most recent policy will be found every time represents a significant step beyond and will dictate how issuing offices are organized, structured and managed. Universal use is necessary for the industry to enjoy the Center's full benefits.

23. Why are no requests for changes in FSH's governance being accepted?

After much study, FSH has been fully designed down to the last important detail in as equitable and reasonable and fair manner as the working group could achieve. Opening its design to industry debate and discussion would not, in the Working Group's view, lead to improvement or improved acceptance. Operational level rules and regulations necessary for operating and use of the facility are developed after acceptance by the industry and before operations begin.

24. Why was IBM selected to be the technology provider?

Due to IBM's worldwide reputation for quality, reliability, resources, performance, and overall excellence.

25. What is the portion of stock shares of FeeSimpleHosting, Inc. which will be owned by Participating Title Insurers if quorum is achieved?

80%, or 4,000,000 shares of the 5,000,000 total, distributed in proportion to their national market share for the year 2000 from company NAIC Form 9 reports compiled by the American Land Title Association. An additional 3% will be distributed to from one to three title insurance corporations which agree to guarantee FSH's bank loan.

26. Is there a list showing an individual title insurer's national market share for 2000?

Yes, that list is contained in the Appendix of "Introducing FeeSimpleHosting" and on the compact disk titled "FeeSimpleHosting in Detail."

27. How is FSH capitalized?

Loan capital in the amount of \$12 million provided by Bank of America.

28. How is the loan guaranteed?

By one to three Participating Title Insurers acceptable to the lending bank as loan guarantors.

29. What is necessary to become a Participating Title Insurer?

Merey execute a Participation Agreement form found both in "Introducing FeeSimpleHosting" and in "FeeSimpleHosting in Detail."

30. Is there a dictionary of key terms relating to FSH?

Yes, that is found in the Rules Excerpts section of FeeSimpleHosting in Detail.

31. What is contained in the FeeSimpleHosting in Detail?

A Table of Contents listing all the various items is contained in Introducing FeeSimpleHosting.