

# Monthly Bulletin

of the

## American Association of Title Men

Vol. 1

OCTOBER, 1922

No. 11

### FROM THE TITLE INSURANCE SECTION.

By John E. Potter, President.

The officers of the Title Insurance Section of the American Association of Title Men are impressed with the idea that many of the individual members of the Association are not familiar with title insurance, know little of its practical workings and do not realize its value and importance to the title men of the country. An educational campaign has therefore been planned for the coming year along title insurance lines. There is certainly need for such a campaign among the members of our Association and its medium should be the Monthly Bulletin of the Association. Leading title insurance men from different parts of the country have kindly consented to assist in this matter by preparing articles on the history and development of title insurance, its various phases and problems and its future and possibilities. These articles will all appear in the Monthly Bulletin during the coming year. A full announcement of the subjects and the writers will appear in the next Bulletin. We believe that these articles will be well worthy of permanent preservation and will be a valuable addition to existing literature on title insurance.

Abstracts of title are all right as far as they go but they do not go far enough. The fact that an owner of real estate has an abstract of title to his property means nothing in itself other than in expediting the settlement in case of sale. It is just as easy to prepare an abstract to a bad title as it is to a good one. But to hold a policy of title insurance absolutely guaranteeing a good title in the owner and indemnifying him against any possible loss by reason of defects or encumbrances, means almost everything to an owner of real estate.

This statement does not in the slightest degree belittle or disparage abstract of title, on the contrary, it increases their importance and value.

No title insurance company can insure a good title unless furnished with a reliable abstract upon which to base the opinion of its title officer who passes upon the title. It does mean, however, that insurable abstracts of title must be prepared by reliable and experienced abstractors and the signature to the abstract must have something substantial behind it guaranteeing its accuracy. It means that the day of "fly by night," "will of the wisp, irresponsible individual abstractors, abstract firms or companies, is over.

All experienced abstract people are familiar with the fact that there never has been a satisfactory judicial determination of the question of the liability of the abstractor or the measure of damages in case of loss through defective abstracts. This is one very strong argument for title insurance, the amount of damages being definitely fixed in a title policy.

As between the abstractor and the title insurance company, the abstractor would be only liable for negligence, while the title insurance company would be liable for erroneous legal opinions as well as for negligence.

The title men of the country are frequently confronted with agitation for the Torrens System. This system is beautiful in theory; it sounds good. The only trouble with it is that it won't work in a country with a constitutional form of government and with political conditions as they are now and probably always will be in the United States, owing to the peculiar temperament of the American people. The Torrens System has been tried over and over again and has always proved a failure; yet, in spite of this fact, the advocates of the Torrens System still keep up an everlasting agitation for its adoption and title men are charged with the duty of protecting the public against the evils which would inevitably follow its adoption.

Now the best method of meeting any unwise or injurious proposition is not by directly opposing it but by offering something better in its place. This

is just the reason why title insurance is of such vital importance to the title men of the country at the present time. It is the reasonable and the practical answer to the advocates of the Torrens System.

But now we hear the abstract members of the Association all say in a united chorus, "This is all right for the large cities where the volume of business is sufficient to justify the investment of capital for the purpose of insuring titles to real estate; but how about the smaller cities and towns and the rural districts?" This is just the problem which the Title Insurance Section of the Title Association desires to help solve. It is possible that in sections where the general public are entirely satisfied with existing conditions and consider that a merchantable abstract, accompanied by a certificate of a reputable attorney, is ample protection, and the specter of the Torrens System has not yet appeared, it is wise not to push title insurance. However, in many of the large cities of our country the general public have become so well acquainted with the inestimable advantage of title insurance that few important real estate transactions go through without the protection of title insurance. In time, this feeling is bound to spread to the smaller cities and towns and even to the rural sections, and the local title men should be prepared to meet this demand or the movement for title insurance by the state may assume hitherto unknown proportions.

Now, how may title insurance be made practicable in the smaller cities and communities?

In the first place, is it not possible to raise the standard and value of the abstract by accompanying it with a guaranteed certificate of title which will have the practical effect of title insurance, based upon the accompanying abstract? To render this certificate of real value, it will be necessary for each abstract company to incorporate with a sufficient amount of capital. In states where the laws will not permit the organization of title companies with a reasonably low capitali-

(Continued on page 4.)

## MONTHLY BULLETIN of the American Association of Title Men

Published monthly by Kable Brothers Company  
as the official organ of the American  
Association of Title Men.

Publication Office.....Mount Morris, Ill.  
EDITOR.  
Richard B. Hall.....Hutchinson, Kan.  
Hall Abstract Co.

Entered as second-class matter December 25,  
1921, at the post office at Mount Morris, Illinois,  
under the Act of March 3, 1879.

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Title Guaranty & Trust Co.

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California-Pacific Title Insurance Co.

OCTOBER, 1922

### BULLETIN SERVICE FOR COURT DECISIONS.

Several State Associations have made arrangements to furnish their membership with monthly information and a digest of court decisions affecting titles. This is a very valuable service and one every state organization should give. It is very easy to get some examiner-member who can furnish this information to the Secretary and he in turn issue a memo of these to the membership.

This is being done in Missouri, Oklahoma, Kansas, Minnesota, North Dakota and other states and is proving of great value to the members. It is something very much worth while, of real service to every title man and in itself worth many times the dues of the Association.

### COPIES OF 1921 PROCEEDINGS AND DIRECTORIES AVAIL- ABLE.

There are a few extra copies of last year's proceedings and directories, copies of which may be had on application to the Secretary's office.

### TITLEMEN AT MORTGAGE BANK- ERS' CONVENTION.

Some of the members of the American Association of Title Men who are

also members of the Farm Mortgage Bankers' Association and who attended the convention of that body in Chicago this month are, Hugh H. Shepard, Mason City, Iowa, and Varick Crosley, Webster City, Iowa. The meeting was also attended by Vice President Wedthoff. He was very graciously given an opportunity to appear before their convention and present the good will and offer of service of the Title Men's Association.

Mr. Shepard responded on behalf of the Mortgage Bankers. We are glad to have had this exchange of courtesies and spirit of co-operation.

### FOR YOUR LETTERHEADS.

One of your best mediums of advertising is your letterhead. If it has personality, dignity and character, force will be given the first impression of the reader and the written matter will be given respect and attention. The effect of make-up and style of your letterhead is to the reader many miles away from you, the same as the personality of a speaker to his audience. Your letters go everywhere and to many kinds of people. They are the conveyors of your thoughts, ideas and character, so strengthen them by a suitable background.

Every member of the American Association of Title Men should have on his letterhead, "Member, The (your state) Association of Title Men; The American Association of Title Men." The effect of this will be to call attention to the two associations, but even more to arouse the respect and interest of the reader.

### THEY ARE GETTING TOGETHER NOW.

This is the subject of an editorial appearing in the August 19, 1922, number of *Colliers*:

"Don't forget that these associations—city, state and national—are already in existence in most lines of retailing, and are increasingly active and important. Having a definite field, they tend to become specifically professional, rather than generally inspirational. Of course, they reflect our motley human nature. Bray and boom and bunk, personal greed or ambition, the desire to swipe secrets or to milk the public at large—these blemishes are not unknown. But if a trade is worth the space it takes, it is bound to have an association. If a man believes in his trade, he should join an association. The tide is running that way very strongly nowadays. These associations might well be asked to develop the possibilities of planned responsible public service in their several fields. Is there any more workable way of improving our ramshackle methods of distribution? The tool is at hand; we'd better sharpen and use it."

And thus it is that every trade, craft, business and profession owes it to themselves and their customers—the public—to bind themselves into an

organization, not alone for the selfish idea to promote and protect their own interests, but for the bigger and finer reasons: to improve their product, reach a higher standard of ethics among themselves, and to give better service to their clientele.

### ADVERTISINGLY SPEAKING.

"What ruined your business?"

"Advertising."

"How?"

"I let it all be done by my competitors."

Same old musty, dusty store,  
Same old dealer, time galore,  
Same old fixtures, same old stock,  
Same old hammer, same old knock.  
Same old books, an awful bore!  
Same old ignorance of store,  
Same old cobwebs, same old flies,  
Same old "I won't advertise,"  
Same old failure, same old wail,  
Same old common sheriff's sale.

The hen that never cackles is the first to go in the pot.

The hen believes in advertising.

When she lays an egg she tells the world about it.

When she quits advertising, she has quit doing business—and the axe is going to get her sooner or later.

Business is like a hen.

Keep yours cackling.

### PRESIDENT BREWER TOURING THE EAST.

President Brewer is visiting many of the New England and Eastern states. He has been gone since the convention, having left Cedar Point in his car the day after the convention.

The following were present at a luncheon given by the New York Board of Title Underwriters for Mr. M. B. Brewer, President of the American Association of Title Men, Texarkana, Ark., and held at the Lawyers' Club, 115 Broadway, New York, on Thursday, October 5, 1922:

L. V. Bright, President of the Lawyers' Title and Trust Company; Henry R. Chittick, Solicitor of the Lawyers' Title and Trust Company; F. P. Condit, Vice President of the Title Guaranty and Trust Company; C. L. Woody, Solicitor of the Title Guaranty and Trust Company; C. H. Burdett, Vice President of the New York Title and Mortgage Company; S. H. Evans, Secretary of the New York Board of Title Underwriters and the New York State Title Association; and R. G. Babbage, 111 Broadway, an attorney engaged in the examination of titles, all of New York City; C. E. Covert, President of the United States Title Guaranty Company, and H. B. Davenport, President of the Home Title Insurance Company, both of Brooklyn, New York.

Also present, as the guests of Mr. Brewer, were Howard E. Pease, of Rollins & Sons, of Boston, and Earl Elkins, special representative of the Maxwell Investment Company, of Kansas City.

# Officers and Committees, American Association of Title Men, 1922-1923

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W. K. Jones, Term Ending 1923.....Cheyenne, Wyo.  
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George E. Whitcomb, Term Ending 1923.....Northwood, Iowa  
George H. Whitcomb & Son.  
J. W. Woodford, Term Ending 1924.....Tulsa, Okla.  
Title Guarantee & Trust Co.  
M. P. Bouslog, Term Ending 1924.....New Orleans, La.  
Louisiana Abstract & Title Guarantee Co.  
Henry E. Monroe, Term Ending 1924.....San Francisco, Calif.  
California-Pacific Title Insurance Co.

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(Under provision of By-Law adopted Aug. 30, 1922,  
one member from each Federal Farm Loan District who  
shall appoint additional members from the States or parts  
of States in his District shall compose this committee.)  
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Massachusetts, Rhode Island, Connecticut, New Jer-  
sey.  
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The Title Guarantee Co.  
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ginia, Maryland.  
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Bankers Trust & Title Ins. Co.  
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Carolina.  
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State—Texas.  
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Pierce Bosquit Abst. Title Co.  
States—Nevada, Utah, California, Arizona.  
District No. 12, Mrs. M. C. Peters.....Ryegage, Mont.  
States—Washington, Montana, Oregon, Idaho.

(Continued from page 1.)

zation, the proper legislation should be secured. If the reasonableness of the proposition and its value to the public at large are explained to the legislators, there should be no difficulty in having such laws passed.

In states where title insurance companies already exist in the larger cities, arrangements may be made, if satisfactory abstracts are furnished with proper security as to their accuracy, to secure title insurance from the existing companies based upon the local abstracts. The title insurance companies will always be willing to make a reasonable and fair adjustment and division of the title insurance premium. There are also national title insurance companies which will insure upon satisfactory local abstracts which are properly secured.

The suggestion has been also made of the local abstract men organizing cooperative state title insurance companies in states where there are no title insurance companies, such companies to be owned and controlled by the abstract people and to issue policies of title insurance upon their abstracts. Under such a plan, the abstract people would not only reap the benefit of a market for their own abstracts, but also share the earnings from the title insurance upon their abstracts. Such a plan seems practicable and workable.

This article is prepared with the thought of impressing upon every title man in the country the importance of title insurance as the leading factor in placing the title business upon a solid, substantial and permanent basis; also the thought that title insurance is the natural, reasonable and necessary development of the Abstract System and that it is to the best interests of all title men to assist in educating the general public to the manifest advantages of the American system of title insurance and its superiority over any other system.

The position which title insurance has already secured and the high regard in which it is held by the business interests of the country prove its real value. The success of title insurance is the best possible answer to the proponents of the Torrens System.

The Title Insurance Section desires to be of assistance to the members of the Title Association in every possible way. Any questions or problems relating to title insurance addressed to the President of the section, in care of the Bulletin, will be referred by him to practical and experienced title insurance men who may seem the best qualified to answer.

#### SUBJECT OF FEATURE ARTICLE FOR NOVEMBER.

The November Bulletin will contain an article entitled "History of Title Insurance," by John R. Umsted, Vice President, Continental-Equitable Title and Trust Co., Philadelphia.

#### MISSOURI ASSOCIATION OF TITLE MEN HOLDS FIFTEENTH ANNUAL CONVENTION.

This was a most interesting meeting and much was accomplished. There was a representative number present and a real program was outlined for the coming year. The meeting was held on October 2 and 3, and the program consisted largely of discussion of matters under consideration in the past year and others to be taken up during the coming one. Only two addresses were on the program, one by the Executive Secretary of the American Association of Title Men, who spoke on general title matters, and the other by James H. Craven, of the Kansas City Bar, who gave a most valuable and interesting history of conveyancing.

A Missouri Association last year followed the district campaign plan for members with good success and decided to continue the scheme this year.

The members of this Association have some very definite opinions as to the "curbstoner" and are going to work hard to put the abstract business of the state on a basis of better work and higher standards. As part of this program they will shortly issue a booklet giving the names of approved abstractors—those who have the ability and equipment to qualify as members of the Association. This will be given a wide circulation.

Arrangements were also made to continue the monthly bulletin service on court decisions. These have been prepared by Hugh McGill of The Title Guaranty Trust Co., St. Louis, and he generously consented to continue his part of the work.

The three Kansas City companies—Kansas City Title & Trust Co., Missouri Abstract & Guaranty Co., and Mosher-Roe Abstract & Guaranty Co., provided for details of the meeting and the entertainment of the visitors. They were certainly royal hosts and spared no effort in providing for a real time. There was a line party at the Schubert on Monday evening followed by a dinner at the Kansas City club. Tuesday night was the time for the Priests of Pallas parade. Everyone who attended had a good as well as profitable time.

The American Association exhibit was on display. St. Louis was chosen as the next meeting place and the following new officials were elected: President, Guy C. Gibbs, Springfield; Vice President, Hugh McGill, St. Louis; Secretary, T. S. Simrall (re-elected), Boonville. Executive Committee: R. T. Brown, Perryville; John W. Baker, Sedalia; C. L. Eatherton, Columbia; Besse Newby Murray, Platte City.

The Missouri Association is alive, its members interested and it was stimulating to note the spirit and enthusiasm which prevailed at the meeting. They have some problems which need solving and working out and are determined to do the job. They have high requirements for membership

and are determined that the Association shall function for and be of value to the members.

#### CALIFORNIA COMPANY CONTINUES TO EXPAND.

Announcement has been received of the reorganization of the Fresno County Abstract Co., and its affiliation with the Security Title Insurance & Guaranty Co. This makes title insurance now available in Fresno County. Glenn Schaefer, President of the Security Title Insurance and Guaranty Co., now resides in Fresno.

The company originally started in Riverside, extended its operations a short time ago to include Santa Barbara and with its latest expansion to Fresno now serves a field of over 20,000 square miles and a population of over a quarter of a million.

This is a remarkable growth and the combined assets of the consolidated companies makes a strong institution.

California is the home and stronghold of branch and consolidated industry and the title business seems to follow the trend of things in that state.

The company has just issued a most attractive booklet on title insurance, entitled "The Best Evidence." It gives all of the possible losses which could be sustained by the land owner. The middle page is especially interesting. It is a reproduction of clippings from newspapers telling of various frauds, forgeries, etc., which have been made in real estate matters. The booklet further tells of title insurance, what it is and what it does, and describes the various forms of policies.

It also describes escrow service, that branch of the title business which is convenient in closing land deals and, being so satisfactory, is ever increasing in popularity.

#### TEXAS MEETING, OCTOBER 16-17.

The Fifteenth Annual Convention of the Texas Association of Title Men was held in San Angelo, October 16 and 17. A report of the meeting will appear in the November Bulletin.

The following item appeared in an Iowa paper recently:

"Webster City, September 29—Invitations have been issued for a wedding which will be of interest not only in this section of the state, but to many Iowa friends of the bridegroom's mother. The wedding is that of Miss Mary McHenry, of Denison, and Guyon Whitley, only son of Mrs. Francis E. Whitley, of this city, who is widely known throughout the state because of her work in Women's Club circles. The bride formerly was home service secretary for the Red Cross here. The wedding will take place Tuesday evening October 10, in the First Presbyterian church at Denison."

Mr. Whitley was Secretary of the Iowa Association last year and one of those who worked hard to make the Des Moines meeting such a success.

Congratulations.