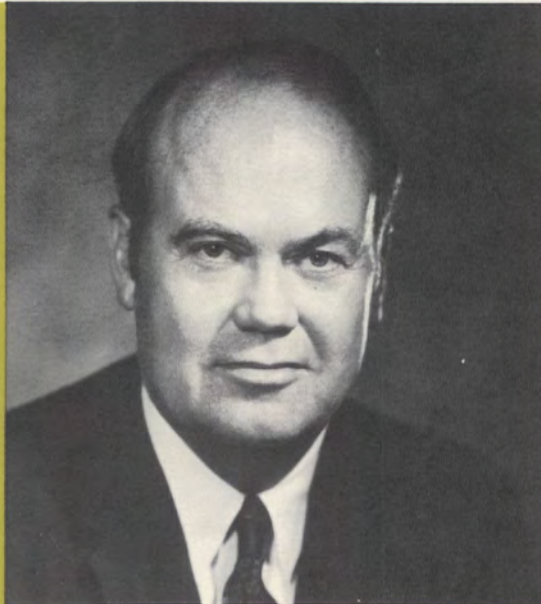


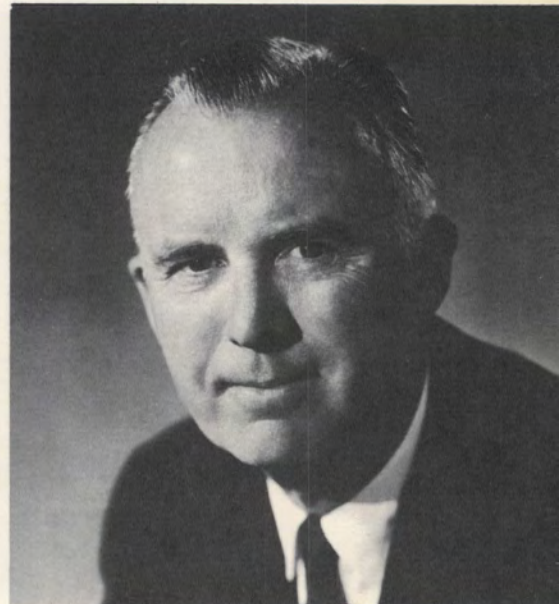
Title News

the official publication of the American Land Title Association

DO NOT REMOVE



FNMA's Oakley Hunter



MBA's Robert Pease



Economist Leon Keyserling



Dr. Norman Vincent Peale

*Guest Speakers
For 1970 ALTA
Convention*

August, 1970



A Message from the Chairman, Abstracters and Title Insurance Agents Section

AUGUST, 1970

The continuing ALTA work to supply those in the land title profession with useful information was demonstrated once again at two May Abstracter-Agent Seminars held in Kansas City and Chicago. Approximately 100 title men and women participated in these meetings, which were sponsored by the Association Abstracters and Title Insurance Agents Section.

On the morning agenda were discussions of public relations, microfilm equipment, and title insurance coverages available today. The afternoon was spent in round table discussions relating to improving efficiency, agency operation, personnel training and retention, advertising, and office procedure.

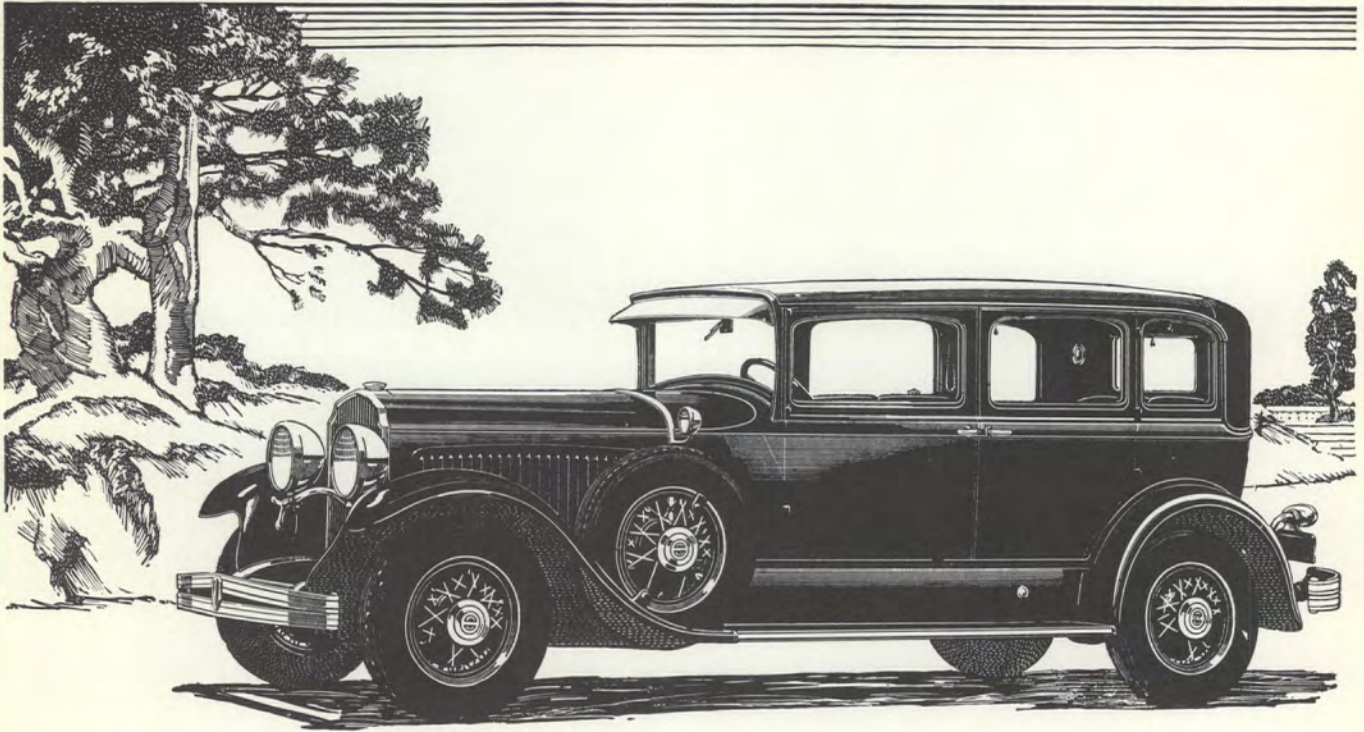
During summer and vacation time your Association officers and Washington staff have remained well occupied. State land title association conventions have been attended. And committee meetings and problem areas involving our Association have required active participation. Ideas developed at state association meetings and timely problem areas often predicate program material for an ALTA Annual Convention.

The program for the 1970 ALTA Annual Convention in New York City, by the way, is developing into an outstanding presentation. There are prominent guest speakers (the icing on the cake), well-planned Section and workshop meetings (the bread and butter), and excellent entertainment. I hope you have made your reservations and that you will be on hand October 14-17 to be a part of what promises to be one of our most outstanding Conventions.

Sincerely,

John W. Warren

ARE YOU STILL DRIVING AROUND IN THAT 1929 TITLE PLANT?



Put an end to the high and increasing cost of plant upkeep and trade in your vintage plant for an economical, compact and fast computerized 1970 model.

TODAY, title executives are becoming increasingly aware of the many operational and cost advantages of using a computer to facilitate their title plant operations. Several title companies, large and small, have used computers effectively for years. Many companies either have a punched card plant now or are in the process of converting to one. If you are considering creating a punched card title plant or automating any of your title operations, we can supply experienced management consultation to help you determine if, when and how computers or other forms of automation

can improve your operational effectiveness and save you money. We can also advise you on conversion methods and costs and provide keypunch services in the production of your plant.

When your plant is ready for on-line computer processing you may want to consider leasing our TELETITLE service. Using terminals connected to a time-shared computer, TELE-TITLE will permit you to update and search your title plant and get immediate title chains displayed or printed on these terminals.

Look into these new models. Visit our showroom in Los Angeles or write to Donald E. Henley, Executive Vice President, for information.



HW SYSTEMS, Inc.

1801 Avenue of the Stars, Century City, Los Angeles, Calif. 90067

Telephone: (213) 277-4321

HW Systems, Inc. is an independent computer system development company which specializes in providing management consulting and cost effective computer services to the land title industry.

New York Agency Provides Information On Show Tickets, Tours for Convention

ALTA members who write Liberty Ticket Agency, New York City, regarding tickets for Broadway shows at the time of the 1970 ALTA Convention this October are asked to keep a record of the shows requested as first, second, and third choices.

If no reply is received from the agency, this means the requested first choice tickets have been obtained. The agency will contact members if it is necessary to select tickets for a show designated as second or third choice.

The full name and address of the agency is Liberty Ticket Agency, Groups Unlimited, Inc., 15 Central Park West, New York, New York 10023.

In addition, the agency is offering two group tours of specified New York City points of interest, which leave the Waldorf-Astoria Convention

hotel in the morning and which are designed for wives. The first leaves at 9:45 a.m. Friday, October 16, for a comprehensive visit to the United Nations that includes lunch in the ticket price and 1:45 p.m. departure for return trip to the hotel—at a rate of \$10.75 per person. The second leaves at 9:30 a.m. Saturday, October 17, for Lincoln Center and a backstage visit to a major Broadway playhouse before terminating at 12:15 p.m. in the midtown area—at a rate of \$7.00 per person.

Scheduling of both tours is contingent upon obtaining a minimum of 30 reservations per tour; if this is not accomplished, money will be refunded to those registering. Requests for tour reservations and checks should be sent directly to the agency and should be accompanied by a self-addressed, stamped return mail en-

velope made out to the sender.

Those interested in attending television shows while in New York City should send ticket requests as follows:

ABC—Address request in care of show in which interested and send to ABC at 1330 Avenue of the Americas, New York, New York 10019

CBS—Ticket Bureau, CBS, 51 West 52nd Street, New York, New York 10019

NBC—Ticket Division, NBC, 30 Rockefeller Plaza, New York, New York 10020

Mid-South Title Issues Large Policy

What is believed to be the largest owner's title insurance policy ever written in the Memphis area has been issued by Mid-South Title Company to the National Bank of Commerce. It covers the \$13 million investment the bank is making in its Commerce Square office tower and plaza, according to George M. Houston, president of Mid-South, and Lewis K. McKee, chairman of the board for the bank.

The 32-story office tower, now under construction, is scheduled to open in late 1972 or early 1973. It will include 512,000 square feet of space and will cost \$16 million upon completion.

National Audience Views ALTA Clips

As of July, an audience estimated at more than 5.4 million in 45 states had viewed an ALTA home buyer education 60-second television film clip adapted from the Association's film, "A Place Under The Sun." All telecasts of the clip are in "free" public service time.

A second ALTA 60-second television film clip has been in distribution since late May. Preliminary reports show use by 72 stations in 32 states with additional pickup ahead.

The clips are activities of the ALTA Public Relations Program.

Greene Attends Security Title Opening



Title plant computerization is explained to Lorne Greene, center, star of NBC Television's "Bonanza", by James H. Vorhies, left, Security Title Insurance Company vice president and director of data processing, in the EDP area of Security Title's new \$3½ million headquarters building in Panorama City, Calif. Listening at right is W. J. Parsons of RCA Computer Systems Division. The photograph was taken June 8 at the opening of the new facility. Greene also taped three home buyer education messages for a package of ALTA public service radio spots released late in May as part of the Association Public Relations Program. A preliminary report shows the spots being broadcast by well over 300 stations from coast to coast.

Title News

the official publication of the American Land Title Association

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Features

Progress Report: Improving E & O Insurance 4

Hogan's Highlights 5

Departments

A Message from the Chairman,
Abstracters and Title Insurance Agents
Section Inside Front Cover

State Association Corner

California 7

Michigan 7

New Mexico 8

Colorado 8

Utah 8

Oregon 8

Names in the News 9

Meeting Timetable 12

ON THE COVER: An indication of the impressive program taking shape for the 1970 ALTA Convention October 14-17 in New York City can be obtained in a glance at this month's cover. Now in the lineup as guest speakers are Allan Oakley Hunter, president and chief executive officer, Federal National Mortgage Association; Robert H. Pease, president, Mortgage Bankers Association of America; Leon H. Keyserling, economist and former chairman of the Council of Economic Advisers to the President; and Dr. Norman Vincent Peale, the prominent minister. Convention-related information on shows and tours may be found on the opposite page. It is suggested that reservations for the Convention be sent to the ALTA Washington office as soon as possible.

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GARY L. GARRITY, Editor

*James J. Vance, Chairman
Errors and Omissions Liability Insurance Committee
ALTA Abstracters and Title Insurance Agents Section*

Progress Report: Improving E & O Insurance



Author Vance

(Editor's note: Author Vance also is executive secretary of Wisconsin Title Association and secretary-treasurer of Jefferson County Abstract Co., Inc., Fort Atkinson, Wis.)

* * *

After nearly two years of work with the ALTA Abstracters and Title Insurance Agents Section Errors & Omissions Liability Insurance Committee, a carrier has begun efforts in various states to file and issue an improved version of this type of coverage for abstracters.

Although at least eight companies who write liability insurance for professionals initially were approached by the Section Committee, only one, St. Paul Fire and Marine Insurance Company, to date has produced an abstracter errors and omissions policy that offers coverage near the

kind desired by the Committee. Hopefully, the St. Paul policy now being implemented and any others that competing companies choose to write will be improved further in the future.

The cost of errors and omissions insurance for abstracters in the future will be increased, not because of the new policy or any of the terms or conditions thereof, but because of the loss experience that St. Paul has had over the past several years. We do not know at this time what the increased cost will be, but they have been paying out practically their entire premium income on claims, thus leaving no reserve and no funds to pay for the administration and the settlement of possible claims. It is important to re-emphasize that this increase is not due to the changes in the form of the policy worked out with the Committee.

If the new St. Paul policy has been filed and is being issued in his state, an abstracter could cancel existing coverage to come under the upgraded errors and omissions protection. However, the new premium would be based on new rates and might well cost more than the premium for continuing his old insurance.

Development of the new St. Paul policy began when the Committee prepared its version of an errors and

omissions policy containing all provisions desired by the Committee. This preliminary draft was shown to St. Paul and at least seven other carriers known to possibly be interested in working on such a policy. As mentioned earlier, St. Paul presently is the only carrier in this group indicating a desire to produce a policy of the type sought by the Committee.

Errors and omissions coverage now being made available to abstracters by St. Paul actually amounts to several different forms, which emerged after revisions in the original Section Committee draft. These are:

- (a) The basic errors and omissions policy
- (b) Endorsement coverage as an agent for writing title insurance; abstracter errors are covered under (a) even if the end product is title insurance—but it takes (b) to cover errors in preparation of binder, policy, other items of this nature, and liability between abstracter and underwriter on their contract; if an insured is an underwriter owning or operating an abstract office, the underwriter must first settle its own claim and then deal with

Continued on page 10

*Richard A. Hogan, Secretary-Treasurer
Washington Land Title Association*

Hogan's Highlights



Author Hogan

(Editor's note: From time to time, *Title News* is privileged to publish the lighter-veined observations of Richard A. Hogan, Pioneer National Title Insurance Company, Seattle. The following is adapted from remarks delivered at the 1970 Washington Land Title Association Convention.)

* * *

Thank you for that very nice introduction. I can stand any amount of flattery so long as it is fulsome enough.

It is my duty to report on the program, which I try to do in an honest and forthright manner with due regard to the decencies of the situation.

This year the program was varied and topical but kept sneaking back into two of the major concerns of our time: environment and communication.

My notes indicate that the convention was held in a good environment. It has been held in Vancouver before but it still is difficult to get used

to some of the environmental differences.

As title people we are concerned with environment because it is largely made of the stuff we insure the title to—every once in a while.

We also are concerned about pollution. However, there is something to be said about pollution. Usually, if the air and water are polluted it means a good business climate.

For years ecological goo-dooders have been angrily yelping about the average per capita amount of gunk and gack tossed into the air, land, and water. If these Galahads are to be believed, there is enough cast off "blaagh" in Lake Erie alone to make every fish in the world flop on its dorsal and throw up. They maintain that if you fall into Lake Erie there is not as much likelihood that you will drown as decay.

Generally, we hold with President Nixon that it is best to make peace with nature and fight pollution.

The convention titlemen made peace with nature on the golf tour by replacing Canadian divots wherever found regardless of place, seed, or previous condition of turfitude. They also proved again that golf is no longer a rich man's sport . . . there were plenty of poor players.

Later that evening they fought pollution at its source at the Icebreaker. This also was somewhat of a sporting event as a lot of the boys went fishing through the ice—for olives.

At this traditional event we encountered some of our favorite types of pollution and ran into a real environmental problem. It is real tough to fight pollution with an old ecology buddy, with your wife creating all kinds of environmental hazards.

It often is asserted that Americans spend more money for liquor than they do on education. People who say that just don't realize what you can learn at a cocktail party.

I learned two sure fire cures for hangovers:

1. Keep drinking.
2. For single fellows: merely shake the suffering fellow's hand and murmur softly, "That's a wonderful little girl you married last night."

Despite the lateness of the splash down most everybody showed up bright and early for the program.

This was largely due to the fact that most of us are verging into that state of nature known as middle age. This is the time of life when you would rather not have a good time, then recover from it.

The attendance was not as great at this convention as it has been in other years due to what is known generally as "The Times."

We are told that we are now entering the age of Aquarius. It has started out to be an age of violence on the campus, in the streets, in the movies, and even on TV. Whoever is responsible for all this violence on TV should

be beaten up, tarred and feathered and burned alive.

The age also has started with strangled business conditions. We have been experiencing an undercurrent of weakening prosperity. Prosperity is when people buy things they can't afford and recession is when they stop doing it.

It is asserted that in order to make a fortune nowadays you have to come out with something that is low priced, habit forming and tax deductible.

However, there are certain other factors which still are necessary to succeed in business. They haven't changed much since my father told me what these factors were. He hadn't practiced them but he knew what they were. I asked him what these factors were and he said, "They are honesty and sagacity." I asked, "What is honesty?" He said, "No matter what happens always keep your word, once you have given it." I asked, "What is sagacity, Dad?", and he said, "Never give your word."

Another characteristic of the age is that everyone wants you to tell it like it is. We have enough people who tell it like it is. Now we would like to have a few tell it like it can be. This our speakers did and with a touch of how it should be.

Every convention whether planned or not seems to have an underlying theme and this year's convention is no different. The underlying pattern of the program indicated that we are playing a game.

It was held in the auditorium of Bay Shore Inn which gives the nature of the game. The word, "auditorium", comes from two Greek words, "audio", to hear, and "Taurus", meaning bull.

It was umpired by Chairman Sherwood Norton who enforced the rules impartially as to all players.

The program disclosed that the official rules of the game are administered by the *Herrmann Rights Commission*.

We heard a good Diehl about the "Name of the Game"—which is communications.

Computers were Cannonized as the best way to score the game.

We got down to cases with Durn-

ing, if not damming, evidence as to water hazards that may be encountered.

The results of the game were given in a Metropolitan manner with a Harney of a talk.

Actually, a Frank discussion of the business and title requirements of one of our principal customers.

This was all very well but the ultimate conclusion to be reached by all of this seems to be that it is not how well you play the game but whether you win or lose.

The program commenced with an attendance drawing by Frank Soderling. Frank appeared with an unusual little gambling device which promptly and publicly broke down. This could almost be expected as Frank is a guy to whom things happen or who makes things happen. Frank's appearance on any program is always one of its highlights. He is a wonderful individualist.

Mr. Karl Herrmann, our State insurance commissioner, told us a bit of how it is and how it should be. His address, which Sherwood Norton termed "Progress Through Communication", stressed that good regulation and good business go hand in hand. Progress is achieved by sitting down and reasoning together. *Evolution vs. Revolution*.

Dr. Adam Diehl did not plough up old ground in his delightful talk on communications. He demonstrated that all writing is a symbol that stands for something else; that you find its meaning in people who interpret and give it meaning in terms of their own experience backgrounds.

He employed the word, "aardvark". Most of us didn't know what it was. Some thought it was the boat Noah had paddled around in when it rained so hard that time. Then he asked, "How much do you know about an aardvark?"

At this point, I examined and exhumed my experience background—and about all I knew or had heard about the animal was that its "vark was worse than its vite." Anyway, by the time he got through, we all knew more about aardvarks than we really cared to know.

The point was that man is the only

form of animal that has language and uses abstract symbolism. But in order to get an idea from A to B (whoever they are) a variety of methods have to be used and particularly, examples.

Dr. Diehl's humorous examples dealt with business communications primarily, but all communications are difficult to achieve. One reason communications are difficult with people, is because when other people talk conversation becomes impossible.

It is difficult to communicate even between husband and wife. However, it is true that once a man learns to listen, he and his wife can remain on speaking terms indefinitely.

Even in a closely knit family group communications break down sometimes. In one such case the husband went to a psychiatrist. He told him that his wife had just purchased 300 pounds of steel wool. The psychiatrist said that he couldn't see anything unusual about that.

"But Doc," explained the husband, "this morning she started knitting a stove."

Communications break down in advertising when the message is not understood. I have a title officer friend who wrote to a pharmaceutical company. He said, "Please send me a book on *Personal Hygiene*—I think I've got it."

A lot of today's frustrations are caused by a surplus of simple answers coupled with a tremendous shortage of simple problems. Jim Cannon, in his talk, asserted that the computer can supply a major solution in this area.

All talks on computers strain one's credulity. Milleseconds were bad enough but nanaseconds (sic) are just not acceptable to a non-structured mind. Nothing should have to do 30,000 things a second. In the first place, what's the big hurry?

I was glad to hear that they are not going to take over all title processes and that the human factor still is needed.

I would like to point out a few more factors. To err is human but to really foul things up requires a computer. You know that to really get the boss's attention—there is nothing like

Continued on page 10

association corner



Californians Elect Mullen President

J. S. Mullen, Western Title Insurance Company, San Francisco, was elected California Land Title Association president at its sixty-third Annual Convention April 16-17 in Palm Springs.

Other officers elected are Thomas A. Clarkson, Land Title Insurance Company, San Diego, first vice president; Allen C. McGurk, Title Insurance and Trust Company, Santa Ana, second vice president; and Hale Warn, TI, Los Angeles, treasurer.

Speakers at the Convention included Houston I. Flournoy, controller, State of California, "Tax Reform and You"; Thomas J. Holstein, ALTA president, "The National Title Picture"; William J. McAuliffe, Jr., ALTA executive vice president, "Washington Report"; Ralph J. Martin, Gruen Associates, Los Angeles, "New Cities—Fiction or Fact?"; James C. Downs, Jr., Real Estate Research Corporation, Chicago, "Real Estate and Housing for the '70's"; James E. Delaney, James E. Delaney and Associates, Santa Monica, "Effective Time Management and Self Motivation"; Cavett Robert, attorney, Phoenix, Ariz., "We Are In The People Business".

At the annual banquet, CLTA members presented M. E. (Jocko) Arnot, outgoing president, with a painting symbolizing his life's inter-

ests. A dinner dance, imaginatively planned under a "Constellations of the Zodiac" theme, was another Convention feature.

Michigan Group Names Shepard

L. Montgomery Shepard, president, Berrien County Abstract & Title Co., St. Joseph, Mich., was elected president of Michigan Land Title As-

sociation at its Annual Convention in Traverse City June 24-27.

Other officers elected were Robert Wilson, vice president, Burton Abstract and Title Company, Detroit, vice president; Mary C. Feindt, president, Charlevoix Abstract & Engineering Co., Charlevoix, secretary; and William Quinn, vice president, Brooks Abstract Co., Lansing, treasurer.

Speakers at the Convention included Thomas J. Holstein, ALTA president, "Report from ALTA"; William J.



Activity at the 1970 California Land Title Association Annual Convention pictured here includes (top) 1970-71 CLTA President J. S. Mullen, ALTA President Thomas J. Holstein, and ALTA Executive Vice President William J. McAuliffe, Jr., addressing the Convention at left, center, and right, respectively. At bottom, left, 1969-70 CLTA President M. E. Arnot is photographed with Mrs. Louis A. Balocca (left) and with Mrs. Ivy Baker Priest, treasurer, state of California, during the ladies luncheon. Mr. and Mrs. G. G. Simvoulakis enjoy the Convention's chuck wagon steak fry at bottom, right.

McAuliffe, Jr., ALTA executive vice president, "Washington Report"; Karl Braunschneider, Transamerica Title Insurance Company, Lansing, "Recent Legislation Affecting the Title Business"; R. J. Wilson, Jr., Burton Abstract and Title Company, "Improving Public Acceptance of Charges for Title Services"; Joseph Smith, Lawyers Title Insurance Corporation, Richmond, "Where Are We (And The Profits) Going In The Title Business?"; and Russell Lowry, Chicago Title and Trust Company, "Modern Equipment for the Small Abstract Office or Title Company".

New Mexico Group Works on Problems

A resolution calling for provision of accurate title information to the public and renewed effort to help eliminate title and procedural problems was adopted by the New Mexico Land Title Association at its forty-first Annual Convention at Los Alamos May 21-23.

C. Woodrow (Woody) Nezzar, Gallup Title Company, Gallup, was elected president; Ed Chapman, Dallas Title Company of Albuquerque, Albuquerque, first vice president; and Bill E. Harris, Title Services, Inc., Raton, second vice president.

Speakers at the convention included Ralph Apodaca, state superintendent of insurance, State of New Mexico, whose remarks included humor-accented comments on the Gadsden Purchase; William J. Mc-

Auliffe, Jr., ALTA executive vice president, "Washington Report"; J. W. (Bill) Bartram, Stewart Title Guaranty Company, Houston, "Ready Funds for Closing a Transaction"; and Dr. G. Ward Fenley, *Albuquerque Journal*, who presented a humorous talk.

Lynde to Presidency In Colorado

Betty Lynde, president, Lawyers Title of Pueblo, Inc., Pueblo, was elected president of the Land Title Association of Colorado at its Annual Convention in Colorado Springs June 20.

Also elected was James L. Roffe, Transamerica Title Insurance Company, Denver, secretary.

Nielson to Helm Of Utah Association

N. Gayle Nielson, Security Title Company, Salt Lake City, was elected 1970-71 president of Utah Land Title Association during its Annual Convention in Salt Lake City May 21-22.

Other officers elected were Franklin D. Maughan, Home Abstract Company, Ogden, vice president; and Warren H. Curlis, McGhie Land Title Company, Salt Lake City, executive secretary.

Among Convention highlights were addresses by Alvin W. Long, ALTA vice president, and president, Chicago Title and Trust Company, "ALTA, Today and Tomorrow";

Joseph H. Smith, Lawyers Title Insurance Corporation, Richmond, "Where Are We (And The Profits) Going In The Business?"; and E. Gordon Smith, Lawyers Title, Dallas, "Computers, Microfilm, and Small Title Companies".

Oregon Convention Includes Full Agenda

Jack Pottenger, Pioneer National Title Insurance Company, Portland, was elected president of the Oregon Land Title Association at its Annual Convention June 27 in Bend, Ore.

Robert Smith, Union Title Company, Salem, was elected OLTA vice president at the Convention. Stanton Allison, Portland, was reappointed executive secretary.

Convention highlights included a panel discussion on the new Oregon Probate Code; a report on the work of the Oregon rating bureau; and addresses by Cornelius Bateson, Oregon insurance commissioner, and by Jim Hickman of Transamerica Title Insurance Company, chairman of the ALTA Title Insurance and Underwriters Section.



Oregon Land Title Association Convention activity shows Jack Pottenger (left), newly-elected OLTA president, and ALTA Title Insurance and Underwriters Section Chairman Jim Hickman addressing those assembled. In the other photograph at bottom are (left to right) new Honorary Members Arthur Mackintosh, Dan McLaughlin, and Wales Wood.



Views from the 1970 Utah Land Title Association Convention show ALTA Vice President Al Long commenting on activity of the national association at left. Enjoying a visit at center are, from left, 1969-70 ULTA President Warren Curlis, Hal Mayes, Lila McDermaid, Joe Smith, and Gordon Smith. At right, Curlis (right) congratulates 1970-71 ULTA President Gayle Nielson; Curlis also was named ULTA executive secretary at the Convention.

names
 names in the news
 names



MANUELE



HULTGREN



LINK



CONN

Robert L. Manuele, vice president, Title Insurance and Trust Company, has been promoted to Los Angeles division counsel. He replaces **Robert G. Rove**, who was named assistant senior title counsel and manager of the law division.

TI also has announced the election of **Julian E. Hultgren** to vice president.

* * *



BAGWELL

Glenn Bagwell, manager, Pioneer National Title Insurance Company Maricopa County (Ariz.) branch, has been elected a vice president.

* * *

Burton Abstract and Title Company, Detroit, has announced the fol-



WILSON

lowing promotions: **B. F. Link**, to vice president and treasurer, and elected to the board of directors; **William B. Conn**, to vice president—operations; **Robert J. Wilson, Jr.**, to director—marketing and sales.

* * *



HORAK

Thomas E. Horak has joined Commonwealth Land Title Insurance Com-

pany, Philadelphia, and has been elected a vice president. He is responsible for operation and maintenance of the company's various title plants throughout the nation.

* * *



CICIONE



SMITH

Security Title and Guaranty Company has announced the following appointments: **Tony Cicione**, vice president and supervisor of sales, and **Mike Smith**, administrative manager, Los Angeles County branch office; **Nicholas J. Paolucci**, vice president and manager, Brooklyn, N.Y., office.

* * *



CHADWICK



CONNOR

Lawyers Title Insurance Corporation has announced the election of **J. Walter Chadwick** as manager of

its Columbus, Ohio, branch, and **William R. Connor** as manager of its Akron branch.

* * *

First American Title Insurance Company, Santa Ana, Calif., has announced the promotion of **Robert S. Timme**, vice president, to controller, and **Lawrence M. White**, assistant vice president, to administrative assistant to the president.

* * *

The board of directors of Title Insurance Company, Mobile, Ala., has announced the promotion of **Robert H. Goodloe, Jr.** and **James K. Merrihew, Jr.**, to assistant secretaries.

E & O INSURANCE—Continued from page 4

the abstract company concerned

- (c) By additional endorsement, opinions of title given for title insuring purposes and others are covered; this is not covered under (b)
- (d) Fidelity bond coverage on employees is available as part of a package policy
- (e) Errors in escrow work can be covered as part of a package policy; such coverage is excluded in all options listed previously

It is possible to obtain (a), (b), and (c) on individual contracts, as well as a package policy. The title insurance agents coverage may well prove economically realistic for many abstracters since the billing is determined by the number of employees working in title insurance.

The following observations relate to specific matters encountered in developing the new St. Paul policy from the original Committee draft. They are presented here to indicate some of the points of coverage considered in formulation of the policy.

The defense of privity of contract remains available to the insurance company in the policy. Thus, when a person who did not order an abstract is damaged (subsequent pur-

chaser, mortgage holder, etc.), he cannot sue the abstractor directly without having to sue on warranty deed, etc.

In the policy, it is not stipulated that the statute of limitations to be used will be considered to start from the date the abstracting work was done—because the policy must be construed under the laws of the state where the policy is written, or, more specifically, where the insured abstract company is located.

Legally constituted predecessors in business are not automatically covered in the policy but will be added as an additional insured in specific cases where they are determined to be a reasonable risk.

The policy is written to cover errors or omissions by court house personnel or abstract company staff, as long as the abstract in question is in error.

It appears most states will require that the policy cannot be voided because of lack of immediate notice of a claim unless it can be shown that prejudice or damage occurred in settlement of a particular claim because of lack of timely notice. In addition, small items can be settled by the abstractor without correspondence or notice to the underwriter, although good practice probably will dictate discussion with the underwriter or at least the abstractor's attorney to make sure proper release is obtained from any party concerned.

Under the policy, if an action is started or claim made against a third party for subrogation, the insurer and insured will share in any recovery from another party to the extent of their loss.

Notice of cancellation is a period of 30 days.

Deductible amounts will not apply separately to different items missed on the same abstract.

The aggregate limit of liability is added to the policy at no additional charge on a ratio of 3 to 1 (three times the limit for each claim), and applies for each policy year. This is to avert a situation where a policy would have to be renewed right after

a large claim or a lack of coverage would result.

The limit of liability will not be increased by naming more than one insured.

Coverage includes a situation where an employee may intentionally make an error to harm the insured, which may result in a loss to a customer.

The policy contains a mandatory \$250 deductible limit to eliminate small claims and carrier overhead, and keep the premium as reasonable as possible. A larger deductible limit also may be obtained to further reduce the premium.

If an insured goes out of business, any claim made within one year after this happens is covered as the policy provides.

All activity involving St. Paul errors and omissions coverage is completely separate from the title insurance business conducted elsewhere among the St. Paul companies.

Specific questions about the new St. Paul errors and omissions policy should be addressed to Don L. Clifford, assistant secretary, St. Paul Fire and Marine Insurance Company, 385 Washington Street, St. Paul, Minnesota 55102.

HOGAN'S HIGHLIGHTS—Continued from page 6

a great big mistake. Automation has progressed to meet this need. Some computers are so human that they not only take credit for the good things they do but they blame their mistakes on others.

In addition, they can now heal themselves or at least tell you what's wrong with their technical innards through the testing process which Mr. Cannon called "Graceful degradation". It sounded more like "disgraceful gradation" through mechanized mesmerism.

Marvin Durning's speech was entirely interesting although not in accord with our thinking on some phases of the subject. He put it in the context of the environmental crisis, the preeminence of public rights in the water, historically and at common law; and the fact that both state and national legislation are in the mill.

I do think this case is a product of the age of Aquarius—the age of the water carrier.

It would have been unthinkable, either in reason or result, at earlier times when the sanctity of private property held equal place with the pursuit of happiness, and was strongly entrenched with unfaltering bulwarks based on a system of law which regarded private property with unfaltering fealty.

In this age of Aquarius we are treated to the spectacle of Indians who do not attack a fort—they merely picket it. They demand the land back but are unwilling to risk 24 bucks to reclaim it.

The campus has become not a place for the interchange of ideas—a forum for intellectual debate—but has become the place to foment demonstrations. Some of the students are so busy rioting that there is no time for study. They are concerned with bigger things. As Alan Emmett said at our noon meeting, “Don’t panic, just listen.”

Perhaps all of these things including the Lake Chelan case are necessary in the over-all reclamation project and will work out equitably, because there is no question but that we are come to grips with our environment on our earth ship; and there is no question but that it is time to start because it is litterly running out of gas.

This has been an entirely engrossing convention which was well planned and organized by Sherwood Norton and the convention committee. I want to introduce them all for your appreciation.

Chairman, Sherwood Norton;
Program Chairman, Rick Bader;
Entertainment Chairman, Ben McDonald;
and Committeemen: Frank Soderling, Evelyn Dennis, Tom O’Connell, Clay Carter, Chet Paulson, Vern Arnold, Brock Sturtevant, and Betty Stine.

We were delighted to have Alvin W. Long with us bringing us up to date on ALTA. Frank Harney also did us honor with his fine talk. It is always pleasurable to meet with him. We took nourishment from the potpourri poured by his worship Alan Emmett at the men’s luncheon Friday.

There is more to come. The convention is not over. Some of the speakers likened humans to animals. If such is the case, in closing, I would remind you that to be a good titleman you should work like a dog, eat like a horse, think like a fox, play like a rabbit—and see your veterinarian twice a year.

Inter-County Seeks Lender Rule Change

Mortgage lenders are going to have to discard rules of thumb for qualifying applicants for home loans if they are to help ease the housing crisis in the nation, Thomas H. Quinn, president of Inter-County Title Guaranty and Mortgage Company, New York City, declared in a recent news release. Inter-County is starting a campaign among lenders to get them to revise their rules on mortgage qualification, he added.

Although reluctance on the part of lenders is expected because of today’s tight mortgage conditions, Quinn said such a revision of the rules will be necessary under easier financing conditions, too. This is true, he observed, because of the high costs of housing that appear to be eliminating thousands of potential buyers each month.

In the days immediately after World War II, Quinn recalled, many institutions had rules that called for the carrying charges on a home (mortgage payments and taxes and insurance) to be equal to one week’s salary. As taxes rose, the rule was changed to specify that one week’s take-home pay equal the monthly carrying charges.

That is about where the rule of thumb rests today, Quinn said. In terms of percentages, the lenders are insisting that no more than 25 per cent of a buyer’s net income be devoted to housing.

“This is unrealistic under today’s inflation,” Quinn remarked.

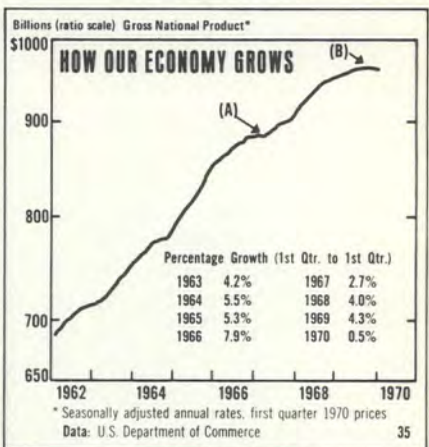
He pointed to a directive from the Federal Housing Administration early this year that cautioned offices of the agency to discard such rules when qualifying applicants for FHA mortgage insurance.

Quinn said he shares in the FHA belief that all applicants should be con-

sidered individually, rather than under a blanket rule of thumb. Some home buyers, he pointed out, are prepared to make greater sacrifices than others to purchase a home and their credit and character should be studied to learn whether the loan should be granted or not.

Experience has shown, Quinn said, that buyers who have qualified as marginal purchasers not only make their payments on time, but also care for the property better and lessen a lender’s concern about maintenance on the property. An individual interview, he added, and not a rule of thumb is necessary to make sure those who warrant a home of their own are not denied such a right arbitrarily.

It's your ECONOMY



It is difficult to describe overall changes in an economy as vast as ours. The measure ordinarily used—the Gross National Product—shows us some time after the fact the production of finished goods in the nation and what trend it is taking. It does not show us changes in the composition of that production. We must use other business indicators for such a breakdown. Still, the course of GNP, with adjustments for higher prices, dramatically traces our economic progress in the longest peace-time expansion in our history—from mid-1961 to late 1969. Because the chart is on a ratio scale, the rate of change in GNP from quarter to quarter is easily seen. For example, the flattening out of the GNP growth line in late 1966 and early 1967 (A) depicts the “minicession” of that period. The chart also clearly shows the gradual slowing down of the economy in mid-1969 (B) that preceded our current recession.

Journalists Compete For ALTA Award

ALTA's Home Buyer Education Award, inaugurated last year as a part of the National Association of Real Estate Boards Creative Reporting Contest, will be included in the NAREB editorial competition again in 1970.

The ALTA award and three other categories make up the contest, which is open to all real estate editors and writers employed by magazines and newspapers whose major distribution is to the general public. Prizes of \$100 for first, \$75 for second, and \$50 for third and appropriate mementos are awarded in each category. The other three categories are story or series of stories with broadest reader interest; column or interpretive report; and story or series on upgrading of a community or neighborhood.

Deadline for entries is September 15 and awards will be presented in November during the NAREB Convention in Chicago. Additional information may be obtained by contacting the ALTA Washington office or by writing the NAREB Department of Public Relations, 1300 Connecticut Avenue, N. W., Washington, D. C. 20036.

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meeting timetable



August 13-14-15, 1970
Montana Land Title Association
Northern Hotel
Billings, Montana

September 10-11-12, 1970
Minnesota Land Title Association
Fairhills Resort
Detroit Lakes, Minnesota

September 10-11-12, 1970
Wisconsin Title Association
Conway Hotel
Appleton, Wisconsin

September 11-12, 1970
South Dakota Land Title Association
Kings Inn
Pierre, South Dakota

September 11-12-13, 1970
Missouri Land Title Association
Stouffers Riverfront Inn
St. Louis, Missouri

September 17-18-19, 1970
North Dakota Land Title Association
Ramada Inn
Minot, North Dakota

September 18-19, 1970
Kansas Land Title Association
University Ramada Inn
Manhattan, Kansas

September 24-25-26, 1970
Ohio Land Title Association
Statler Hilton
Cleveland, Ohio

October 14-15-16-17, 1970
ANNUAL CONVENTION
American Land Title Association
Waldorf-Astoria Hotel
New York City, New York

October 22-23, 1970
Dixie Land Title Association
Broadwater Beach Hotel
Biloxi, Mississippi

October 22-23, 1970
Nebraska Land Title Association
Lincoln, Nebraska

October 25-26-27, 1970
Indiana Land Title Association
Indianapolis Hilton
Indianapolis, Indiana

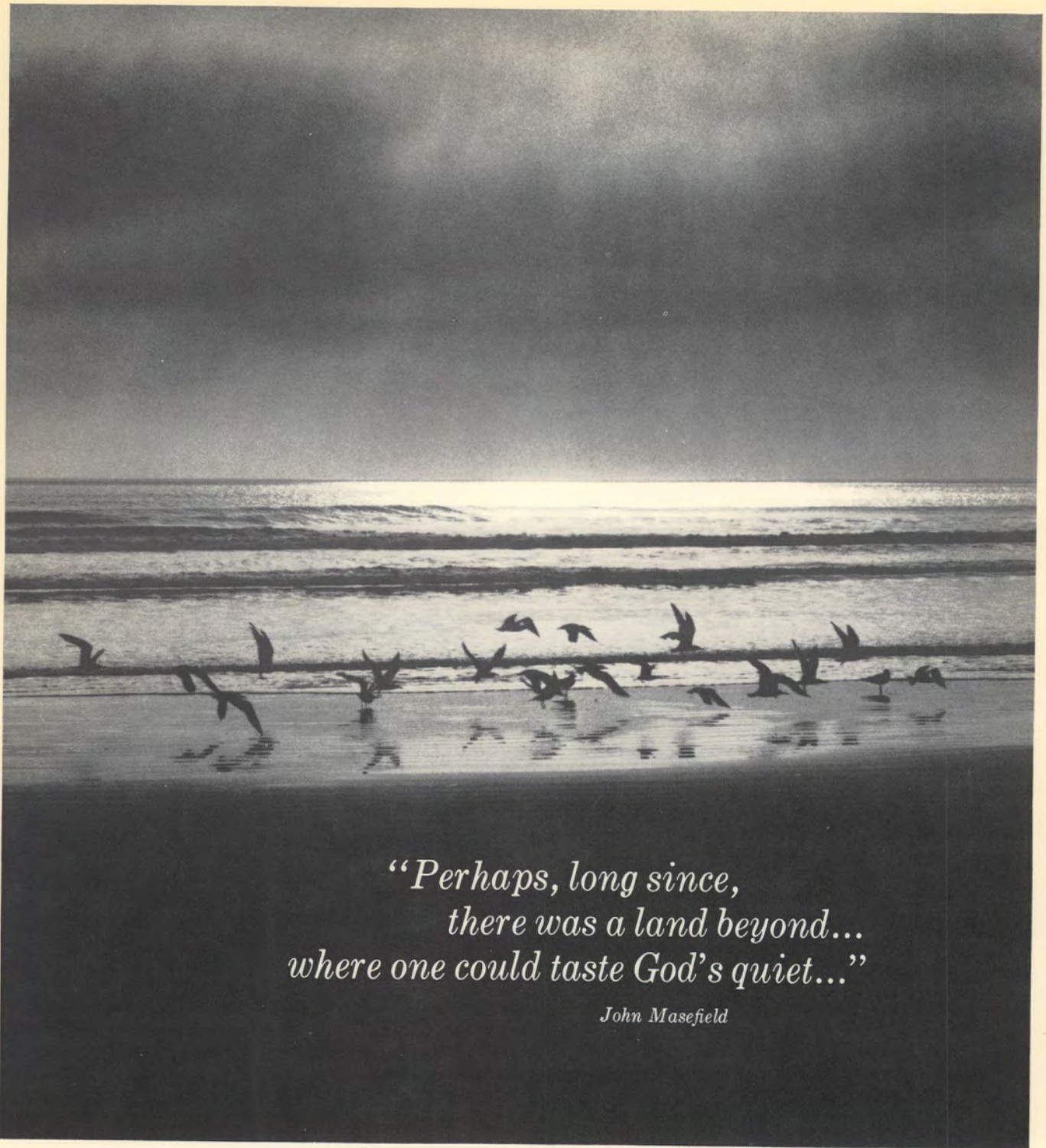
November 6-7, 1970
Land Title Association of Arizona
Tucson, Arizona

November 19-20-21, 1970
Florida Land Title Association
Robert Meyer Motor Inn
Orlando, Florida

December 2, 1970
Louisiana Land Title Association
Royal Orleans
New Orleans, Louisiana

1971
March 3-4-5, 1971
ALTA Mid-Winter Conference
San Diego, California

October 3-4-5-6, 1971
ALTA Annual Convention
Statler Hilton
Detroit, Michigan



*“Perhaps, long since,
there was a land beyond...
where one could taste God’s quiet...”*

John Masefield

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