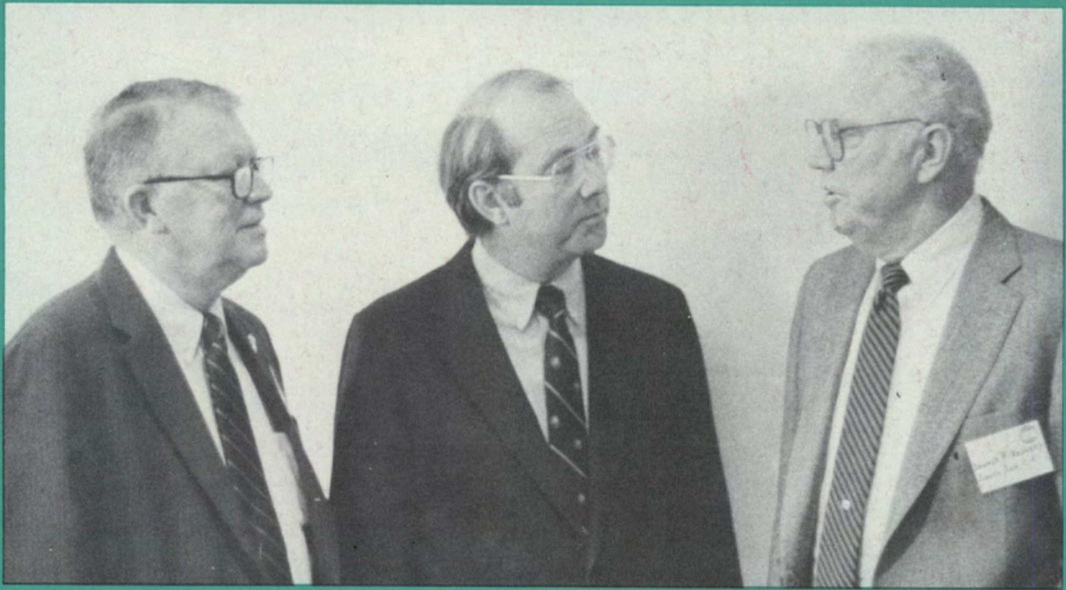
March 1984

TITLE NEWS



Congressman Gramm Talks with TIPAC Trustees

TITLE NEWS

Volume 63, Number 3

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Front Cover

Title Industry Political Action Committee Chairman Thomas G. Kenney, left, and ALTA President D. P. Kennedy, right, who is vice chairman of TIPAC, talk with Representative Phil Gramm (R-Texas) during a meeting of the PAC's trustees and state advisory trustees in Washington. Chairman Kenney is chairman of the board, Transamerica Title Insurance Company, and President Kennedy is president, First American Title Insurance Company. For more on this gathering of industry political leaders, turn to page 17.

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A Message From The President-Elect

As your president-elect for 1984-85, my main job is to keep in touch with everything that is going on in the ALTA, as well as all of the various state and regional title associations. I am also to use this time to learn from our president, Don Kennedy, and all of those outstanding and knowledgeable people who went before him.

In carrying out these duties, I find that I am indeed blessed to be a member of an association made up of the best friends I will ever have. I know it's strange to say that your competitor is one of your best friends, but I believe that this is true. Even though many of us compete with one another, we also make every attempt to help one another solve our abstracting and title insurance problems and never feel uncomfortable when we are together. I enjoy title people for what they are, not who they are. To be in this business, one must master the art of self control and must continually strive toward excellence.

Someone once told me that I was free, but that freedom was expensive. My father told me (not necessarily in this order) that good ultimately will prevail, that if you had to be foul-mouthed, you did not have a point to make, and that "can't never could."

A few years ago, I went through all sorts of self-analysis in order to find out what makes me tick as an adult. The answer was basically that I try to take a leadership role, when recruited to do so (and sometimes when not), and that I make an intensive personal commitment to what I undertake. Add to that attempts at perception and persistence, and you have covered the basic ingredients. That happens to be me.

What about you? You really should know your strengths, because that is where you should concentrate. You'll never achieve much fixing what you do wrong. Your achievements are in what you do right, and your success is in your achievements. The strengths you use in achieving will improve with exercise, just like body muscles.

Exclude the world for a moment. What have you done that you thought was good? (It doesn't make any difference what anyone else thought.) That you enjoyed? And that you were proud of? Those are your achievements.

Accept that responsibility of individual excellence, really wanting to be your best more of the time. In defining your "best," explore and appreciate those experiences which applied your best capabilities. You may have done something that brought you praise or an increase in job position or salary but, if in your own considered opinion, it was a stroke of luck, that's all it was. Maybe you worked to all hours completing a project that was greeted with apathy or even with antipathy. It still is a big achievement if that is the way you feel about it. History is loaded with cases of "successful" men, including many a conqueror and business tycoon, who were no good at all but thought they were. No envy need be wasted on those who got it without having "it" inside to start with.

Avoid mistakes by realizing that a study of what is not wanted will not somehow reveal how to gain what is wanted. In avoiding mistakes, you realize that attention is a kind of reward. Whatever your reward in life, you are encouraged to come back for more rewards. Stop studying any mistakes. Start and concentrate on studying your achievements.

Only the individual can know his or her own achievements, and only the individual can use them. Only you can decide what you are going to become, and the moment of decision is reached when you step out in faith. To create your own success and make a habit of it, consider only those achievements of yours that are important to you, regardless of what tradition, or your boss, or your friends, might have to say about them.

God made us all and, as the saying goes, "He don't make no junk," so throw off your shackles and achieve. You'll find that you serve others as you do. After all, you can fly away to the sky, if you really try.

As title people, let's all try to achieve excellence in our production of abstracts and title insurance policies, as well as in every other facet of our lives. Doing that little bit extra for your state or regional or national title association will make all the difference in the world in its success or its failure. A title association, or any other association, does not operate on its own. It is merely a group of people banded together for a common cause. It requires time, your time. So please, make that little extra effort to give your association all of the help that you can. In this way, your association will also achieve excellence.

Hope to see you all at the ALTA Mid-Winter Conference in Washington, D.C., this month. The program is truly outstanding, and it will give you a chance to make a personal visit to your respective Senators and Representatives, as well as a chance to visit Washington itself.

Jack Rattikin, Jr.

Jack Rattikin, Jr.

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Management Challenge Analyzed By Senior Title Executives

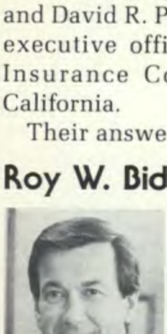
What capabilities are most important for title company managers if the industry is to remain effective in dealing with the challenges of the 1980s?

Eight senior title executives from across the nation recently responded with thought-provoking answers to this question as presented by *Title News*.

They are Roy W. Bidwell, president, Rio Grande Title Company, Inc., Albuquerque, New Mexico; Hughes Butterworth, Jr., president, Lawyers Title of El Paso, El Paso, Texas; Robert F. Crisp, president, Florida Land Title & Trust Company, Marianna, Florida; Samuel J. Giuliano, president and chief executive officer, USLIFE TITLE INSURANCE Company of New York, New York, New York; Calvin F. Johnson, president, Bureau County Title Company, Inc., Princeton, Illinois; Carloss Morris, chairman of the board and chief executive officer, Stewart Title Guaranty Company, Houston, Texas; L. K. Orthund, president, Land Title Company of Pierce County, Tacoma, Washington; and David R. Porter, president and chief executive officer, Transamerica Title Insurance Company, Los Angeles, California.

Their answers are as follows:

Roy W. Bidwell



Bidwell

The accelerating technological changes of the 1980s are dramatically affecting our personal lives as well as our basic industries, and these changes are having major impacts throughout the title industry. Alterations in the business and social environment are testing managers' skills and their ability to pursue business growth and expansion.

Changes in the real estate market now require us to be more flexible in our underwriting, get the job done faster and more efficiently, and at lower costs. We are expected to respond promptly to new insuring requirements made necessary by the many new mortgage programs now available. The unusual is now commonplace, and we are dealing with more sophisticated and demanding customers who are not hidebound by precedent. In short, we are expected to perform more effectively in response to a changed market environment.

The challenge to the industry is to adjust without falling into the trap of lowering standards to a point where quality is jeopardized. There is no substitute for high quality in our industry. The social and economic consequences of lowered standards are unacceptable in title insurance and settlement practices. Quality control must continue to be a top priority in the '80s. The trick is to be flexible and responsive while maintaining high standards of underwriting and service to the customer.

In order to succeed, we must upgrade our resources by attracting and keeping more high quality employees, and by embracing the advances in technology that are now part of the modern work environment. The effective use of electronic data processing and more experienced and better educated employees are essential ingredients for success in the '80s. This requires fresh capital investment and, even more significant, fresh attitudes in responding to the needs of the marketplace. A marketplace where the temptation to get the order at any cost can lead to lowered standards and higher claims.

Successful managers in the '80s must make a strong commitment to high standards and acceptance of change. They will have to be flexible and responsive while maintaining the integrity of their underwriting and settlement practices. But prudence and aggressiveness are not necessarily mutually exclusive.

Cost control will assume even greater importance as new investment, made necessary by the competitive environment and combined with regulated premiums, causes a severe squeeze on operations and profit margins.

Managers must rededicate themselves to the principles of the free enterprise system and make a personal commitment to high standards in everything they do. These qualities have always been required of successful, effective managers and the 1980s will be no different. The challenge to the manager of the '80s is a rededication to the established historical values upon which this country is founded.

Hughes Butterworth, Jr.

Butterworth

If the title industry is to remain effective in the 1980s, the title manager has to realize the need for change. One of the greatest challenges the title industry faces is the need for computerization.

To be successful and survive, title company managers must be aware of what is happening in this era. Computerization is becoming so prevalent that one has to be computer knowledgeable, not only at work but also in one's everyday life. The title company cannot afford to be left unchanged by the latest current technological developments. The title industry cannot continue to operate as it did in the 1970s.

The key to a successful and profitable use of a computer is the total commitment and involvement of management. Without this support, computerization can be a nightmare. The level of management involvement will determine the level of success for a computer system.

The title manager must educate himself and his staff and realize that there is not one facet of a title company that cannot be computerized. A computer can log the incoming orders so they are easily accessible. Geographical and general index searching can be handled with great speed and flexibility as opposed to a manual system. Furthermore, a computer can produce commitments, policies, binders, endorsements, and any correspondence. It can generate closing statements, disbursement sheets and escrow checks. Not only will it handle all of the escrow accounting but it will take care of general accounting, payroll and personnel files.

One of the greatest benefits of a computer to the title company is that the basic file information (file number, buyer, seller, address and legal) is entered only once to generate all of the requirements to close. Another great advantage is the ability to change information, which quickly updates the file and necessary documents. As a result, a computer can dramatically increase staff accuracy and efficiency while reducing production time. It can definitely streamline title operations.

A computer is an excellent tool for the title manager in setting controls for overall operations. It becomes much easier for the title manager to measure productivity within the company. It can gain control of information handling costs, improve productivity and enhance overall company performance. A computer gives the title manager easy access to this information, which is the key to increasing organizational production. In fact, a successful title operation relies on management information.

The decade of the '80s has been called the "Information Age" and information is clearly the most vital asset that a title company possesses. To retain a competitive edge, the title manager needs to strive for information resource management.

It is limitless what a title company can do with the vast amounts of data in a computer. The capability of providing various information to others associated in the real estate industry is astronomical. The title company is now able to diversify its services into other areas with this information and produce additional revenues if it so desires.

The title manager must be aware that a computer system depends totally on what management wants. It can be very complex or very basic. It can be totally integrated with the title operations or separate.

The title manager must realize that, to be successful, he must progress. To progress in the '80s means computerization. How do you expect to compete and survive in the title industry if your competitors are computerized with the ability to give information in a matter of seconds, and you're still pondering through your tract books or cards and manually typing closing statements and policies?

Robert F. Crisp

Crisp

To remain effective in dealing with the challenges of the '80s, title insurance managers must maintain a positive attitude, be adaptable, obtain more production, be able to sell or direct sales, maintain a profit and take time to plan ahead.

A positive attitude is a must in any industry, but the title industry will have some most trying times that will warrant some negative thoughts. The bright side will have to be discovered daily in order to overcome the trials and press onward.

Adapting to change will be necessary as the computer age continues to develop, as controlled business continues to appear, as business fluctuates up and down, and as competition from Sears and others becomes a reality.

To stay competitive, a manager will have to increase production from each employee. To continue this increase by utilizing time-saving equipment and constant training of employees to become more knowledgeable will be a real challenge throughout the '80s.

Due to more competition, the once highly-trained technicians must become more sales oriented. Selling services that many purchasers feel are not necessary, that cost too much and that take too long to get, will not become easier. It will require more dedicated time by all managers.

Profit will become more and more important due to the increased cost of money. New equipment to obtain greater efficiency will cost dollars. If this can be purchased partly out of past and partly out of current profits, survival of the '80s will be enhanced.

Planning time should be scheduled by a manager to address all the above mentioned items plus many items not discussed. It takes time to plan and it must not be considered as a wasteful part of a day's work by management.

The '80s are going to be challenging, but should be years of great opportunities for the land title industry.

Samuel J. Giuliano

Giuliano

The challenges of the '80s are just beginning to emerge, and although the industry has been confronted with some dramatic changes during the past five years, it is quite likely that the complexity of new issues emerging over the next decade will

Continued on page 18

Ticor Acquisition Completed by Group

Ticor and its principal insurance operations other than Constellation Reinsurance have been acquired from Southern Pacific Company by a group of investors including a subsidiary of American Can Company for $271.3 million.

Headquartered in Los Angeles, Ticor engages in title insurance, residential mortgage insurance, real estate tax services, home warranty insurance and life insurance business.

Under terms of the acquisition, American Can initially owns non-voting preferred stock in Ticor and holds warrants enabling it to acquire up to two thirds of Ticor common stock at any time, and options to acquire the remaining one-third common equity in the period 1987 to 1989.

The acquisition group of investors includes American Can's Associated Madison Companies, Inc., and members of Ticor's management. Ticor board members who are individual investors are Harold S. Geneen, chairman; Winston V. Morrow, president and chief executive who also remains chairman and chief executive officer of Ticor Title Insurance Company; Rocco C. Siciliano, chairman, executive committee; and Joseph H. Dowling. American Can representatives on the board are Gerald Tsai, Jr.; John R. Cox; Kenneth A. Yarnell, Jr.; and James A. Long.

Keeping Professional Standards High Through Educational Activity

Active Kansas Land Title Association member support and the extension facilities of Wichita State University (shown here) are important elements in KLTA educational activity that contributes substantially to the professional excellence of title people in the state. Most applicants who pass the state abstracter license examination first attend the annual KLTA School and/or use the association's title course study guide.

By John M. Bell
Secretary
Kansas Land Title Association

It is 1976. The Kansas sunset law has just become effective. Because of alphabetical order, one of the first state agencies legislators are considering for possible extinction is the Abstracters Board of Examiners.

Members of the Kansas Land Title Association and others in the real estate community rise to the defense of the board, which administers the testing and licensing of abstracters under state law. Among the most persuasive witnesses at the sunset hearing is a representative of an errors and omissions liability insurance company.

The E&O witness testifies that his company's losses are low in Kansas and credits the professional excellence of title people in the state—which he says is largely due to licensing and KLTA educational activity. Most of the applicants who pass the state abstracter license examination first attend the annual KLTA School and/or use the association's title course study guide.

State officials at the sunset hearing also are advised that well qualified title professionals are an important protective force for the home buying public. Since the amount of E&O insurance required by Kansas law is only $25,000, keeping loss experience at an absolute minimum is especially significant when the possibility of multiple losses or business failure is considered.

During the sunset proceedings, the title industry prevails and the board is retained by state government. Although the battle was difficult, it served to focus more attention on the substantial contribution made by KLTA toward keeping the industry professional in the state.

In looking back over the quarter century that the school has existed, it should be pointed out that success has been achieved in this activity by a state title association with 200 members on a modest budget. Besides a commitment from the KLTA membership, all that has been required is support from the extension service of a state university. Currently, the KLTA vice president acts as dean of the school and is responsible for lining up speakers and making arrangements other than those handled by the university. This activity has been strengthened over the past two years by creating an association education committee with rotating membership, whose people assist the dean in conducting and improving the school.

Within the program of study are three units: Basic Course, Advanced Course and Owner-Manager Course. All are offered each year during the 1½-day school, which runs all day Friday and finishes at noon on Saturday. This schedule is more popular than the former "weekend only" dates for the school and consideration is being given to a Thursday-Friday setup.

Format Recently Changed

When the 1984 school is held at Hutchinson, Kansas, on June 15 and 16, this will be only the second year for the Basic Course, which was developed for reasons including the fact that a good percentage of our students recently have been so new to the title business they easily became lost and frustrated when taking what since has been reorganized into the Advanced Course. Basic Course students are given an overview and stay together for all the school sessions with the same three instructors. In assigning instructors for the Basic Course, an effort is made to include one each from a large and small population county and one who is very familiar with title insurance.

Introduction of the Basic Course has proved popular with students and their employers, who report the introductory study helps make work of the beginners more meaningful at the office. One of the challenges for the instructors is keeping away from an over-emphasis on detail so students are not given more than they can handle. As previous Basic Course instructors admit, limiting a lecture to the essentials is not an easy task for those concerned.

All seven subjects usually covered in the school are briefly addressed in the Basic Course. They are abstracter responsibility; title insurance; court judgments and other liens; abstracting court proceedings; abstracting deeds, mortgages and other documents; oil and gas; and descriptions and plats.

These subjects were all taught in what is now the Advanced Course before the recent reorganization. After complaints from instructors and students that a school session did not include adequate time to go into all of them in sufficient depth, changes were made so four of the subjects are presented in a given year with court judgments and liens covered every year.

Under the recently revised school format, it takes three years to complete the program represented by the Basic and Advanced Courses—one in the former and two in the latter. After completing the current cycle, it will be interesting to see whether our present students return to the school for refresher study or stop attending.

Subject matter varies considerably in the Owner-Manager Course and has included such topics as tax law changes, interviewing techniques, personnel problems, incorporating vs. "doing business as," and presentations by exhibitor representatives on hand in connection with an automation show open to everyone present at the school.

Except for those in the Owner-Manager Course, instructors at the school primarily come from the KLTA membership. No problem has been encountered in finding qualified instructors and many of them return year after year because they enjoy the challenge. Instructors are paid a token fee—most recently $50—which of course does not even pay their travel and hotel expense.

The registration charge covers the cost of the school and three meals. Last year, it was $65 for KLTA members and $90 for non-members, with a 10 per cent discount if three or more persons attended from the same company. Besides title companies not holding KLTA membership, we have had non-member attendance by attorneys, oil company land men, land surveyors and other real estate professionals. It has been KLTA practice to see that good food and attractive accommodations come with the school since these are conducive to the learning process. KLTA members have

Kansas Land Title Association Secretary John M. Bell, right, reviews the KLTA title course study guide with Dr. Don Levi, who occupies the chair of real estate at Wichita State University. Secretary Bell is executive vice president of The Security Abstract & Title Co., Inc., Wichita, Kansas.

expressed very little concern about the fee structure.

Wichita State Extension Used

Originally, the school was handled through the facilities of another state university; the source of assistance recently was changed to Wichita State University Extension. Among reasons for the move was an opportunity to work with Dr. Don Levi, who occupies the chair of real estate at WSU. He is a

"... success has been achieved in this activity by a state title association with 200 members on a modest budget."

Realtor and attorney who has worked in his family's title business in Missouri.

Dr. Levi helps teachers for the school develop written outlines for their students—which are provided in a looseleaf binder that also can be used for notes and other materials to form a reference file for taking back to the office.

WSU Extension handles registration and mailing for the school, along with the hotel arrangements. Planning for the school calls for just covering expenses; any financial surplus is divided evenly between KLTA and the university continuing education department.

The KLTA title course study guide mentioned earlier is used to some extent in the school. While not specifically designed for those taking the state abstracter license examination, the guide nonetheless is a very good title course and frequently is called upon in studying for the test. The guide comes in loose-leaf form so updating and additions can be easily handled; there are study questions at the ends of the chapters.

Review of the guide is scheduled at regular intervals and another revision is planned in about a year. In the past, this has been accomplished by up to 20 KLTA members gathering at a centrally-located hotel on a weekend and pairing off for redrafting and conferring on assigned segments. On the upcoming revision, Dr. Levi will serve as the editor—an approach not used previously—and will take care of repetition and otherwise see to it that the guide is in the best possible form for study purposes.

KLTA members pay $15 per copy for the guide; non-members $25 per copy. As with the school, we have non-member participation from a variety of real estate professionals where the guide is concerned. When the guide is revised and reprinted, it normally takes the association several years to recover its cost but this activity still is regarded as highly worthwhile.

Close Linkage

Although not directly related, the

(Advertisement)

To Survive, Professional Title People Must Automate

By Phillip Wert

Phillip B. Wert has been involved in abstracting and title insurance for 18 years and, for 14 of them, has been active in ALTA and the Indiana Land Title Association. For ALTA, he is currently a Member-at-Large of the Executive Committee of the Board of Governors and is a Past Member of the Executive Committee of the Abstracters and Title Agents Section. He was President of the ILTA in 1975, and was a Member and Past Chairman of ILTA's Education Committee and Past Chairman of the Young Title Persons Committee. During his tenure as Chairman of the ILTA's Education Committee, he initiated and coordinated the publication of a 700-page ILTA handbook, now in its second printing and widely requested in Indiana and other states.

At one point in the *Adventures of Alice in Wonderland*, Alice discovered that she had to run twice as fast as her legs would carry her in order to remain in the same place.

The abstracting and title insurance businesses have become something like that in recent years thanks to seasonal and cyclical swings, and now, with major competition looming, from Sears, Merrill-Lynch, and other supermarketeers, many of us in the business will have to run at least twice as fast as our legs will carry us in order to remain in business.

In all seriousness, many professionals now in the business view with differing degrees of alarm the entry of the multi-service agencies such as Sears, Merrill-Lynch and others. Our concern is that, in their apparent conception that "there's a lot of money to be made in the title insurance business," and in their haste to join us, they may be inclined to appoint agents who are less than professional and who really know very little about the intricacies of this business. In this case, they will have made a bad bed for themselves and possibly have put our profession in a bad light.

Historically, closings of single-family home sales were handled by the lending agencies, normally savings & loan companies and mortgage loan departments of commercial banks.

Slow home sales and excessively high interest rates during the past four years caused many lending agencies to close their mortgage loan departments, trim staffs and turn to title companies and law firms for their closings. This helped the latter firms to maintain their staffs during the slow years, but left the lenders unprepared for last year's upsurge in business. (In my own company, I have kept on valued staff members, some on 32-hour weeks, for as long as four lean years, and now I am glad we did.)

With the reduction of interest rates, particularly when they fell through the magic level of 13 percent in the spring of 1983, there came a substantial increase in our title insurance business. For one thing, home buyers who had taken three- to five-year mortgages with balloon payments at excessively high interest rates found it to their advantage to refinance.

Along with a deluge of refinancing came a resurgence in sales of homes with FHA and VA mortgages, all requiring title insurance policies. This brought us brisk business extending well into December last year, compared with a normal slackening of our business in November in prior years.

Where a number of title agencies had gone out of business during the bleak years, new companies now began to spring up--sometimes the same people with new firm names, rehiring the closing experts who had previously been laid off by the lenders and title companies.

A Labor-Intensive Industry

I don't have to tell people in the title business that we are a labor-intensive industry. We must deal with mountains of words and must store them indefinitely because we never know when we'll need them again, and must find them readily and reproduce them in a meaningful and useful way in order to be of service to our customers.

Recognizing as long as a dozen years ago that we had to find some way to improve our office procedures, in 1972, I leased a mag-card-operated typewriter as an effort at speeding the process of putting words on paper.

Still later, early in 1983, it became apparent that we must be able to do more work with the same size office staff. This led me to enroll in an adult education course in computers and data processing at the Kokomo branch of Indiana University. It was my first actual familiarization with computers.

Armed with new knowledge of available computers, I looked over the field during 1983—even to examination of IBM's Office System 6, an information processor archaic by today's standards and with a price tag of $16,000 and up--far beyond the resources of the average agency.

To be fair, I found other systems less useful to our operations at prices ranging from $70,000 upwards to $150,000.

It then appeared to me that computerization of our firm was essential if we were to remain in business over the long haul. The question was: Could we afford it? Fortunately, microcomputers and personal computers were becoming more popular, and prices were dropping to an affordable range.

At the 1983 Mid-Winter Conference of the American Land Title Association in Phoenix, I saw SULCUS microcomputer systems demonstrated for the first time and was impressed with their usefulness to our business. The vast speeding of the closing process reinforced my thinking about what would happen to companies that failed to equip themselves with automated equipment.

The key here is that our industry is now facing significant *structural* changes. In the book *Future Shock*, Alvin Toffler differentiates between structural changes and the seasonal and cyclical changes that everyone faces and with which we are all familiar, if not always comfortable. With the latter, we adapt and adjust. But how many of us know how to respond when the very fabric of our industry changes texture?

Seasonal and cyclical accommodations will not suffice precisely because they address the old structure. They are not grounded in the new reality, the change in structure. With the entry of the supermarketeers into our industry, "countertop" closings, at least in the view of our customers, may threaten to overwhelm the market.

". . . it behooves all of us who have a real professional view of the title business to keep a close lookout on the many changes that are sweeping the landscape, many of them caused by new, external forces."

Fundamental changes are required on our part. But what? On examination, I think we can identify some basics. Our industry has always been a service industry; but the services we offer will grow. Because the newcomers will force them to. Marketing will become much more crucial for the same reason, with visibility the passkey to business. Back-office work must be streamlined to free personnel for front-office and out-of-office contact.

That's where computerization will pay the biggest dividends. The time savings of computerized production will permit title professionals to concentrate on knowledge work and people work rather than paperwork. Most important, the time is now. *Before* the supermarketeers enter the field, we have to take advantage of the tools available to us right now and not wait around to see how things are going to shake out.

The Front-Office Answer

Although we do not do closings as such, I saw SULCUS as the answer to our need to improve front-office production--letter writing, billing, and processing title search abstracts, title insurance commitments, and policies.

The problem with abstracting is that you can search and read title descriptions much faster than they can be put on paper by ordinary typewriting. SULCUS speeds this recording process by as much as 80 percent.

In the state of Indiana, there are approximately 250 land title companies and law firms doing land title business. Fewer than half of them are members of ALTA. In the years immediately ahead, I foresee a rush to automation on the part of many of these companies; those who fail to automate are not likely to be in business in 1994.

In fact, I would estimate that the average title agency which is not automated may not last more than five years from now, because its competitors are rushing to automate at a rapid rate.

There may be small, rural counties that won't feel the heat of automated competition, but even these are likely to succumb to an entrepreneur who says, "With my new computerized equipment, I can handle the title business of 10 counties." In this event, look out!

Linking Automated Offices

Another good promise of automation is the possibility of linking automated offices by telecommunications, thus providing flexibility between the offices in handling the seasonal rushes and lags inherent in the business. This would enable the title firm to provide even more service to the real estate industry.

The Johnson Abstract Company, of which I am the manager, was founded in 1877. I personally have been in the abstracting and land title insurance business for 18 years, and I expect to keep at it for a good many years ahead. For that reason and because I profoundly believe that SULCUS is dedicated to the betterment of our industry, I not only installed SULCUS computer equipment in our office, but I also formed COMPUPLEXUS Computer Systems, Inc. and began to demonstrate and sell SULCUS equipment to companies which, like mine, plan to remain in business for an extended time ahead. I have given at least 60 demonstrations to firms thoughout Indiana and in Cincinnnati and Dayton, Ohio and have set up demonstrations at state conventions in Indiana and Ohio. In doing so, I feel that I am serving my industry, as well as my own self-interest.

I spoke at the outset of this piece about the concern that professionals long in the business feel about the entry of Sears, Merrill-Lynch, and other supermarketeers in our traditional business. It is precisely because they are supermarketeers that I believe we have cause for concern. On the one hand, we are concerned that their headlong rush into our profession may cause them to appoint agents who are not fully qualified. This could result in faulty titles, damaging the industry in years ahead. The other possibility is that they may move in and hire away the truly qualified professionals, of which there are a limited number available.

I believe it behooves all of us who have a real professional view of the title business to keep a close lookout on the many changes that are sweeping the landscape, many of them caused by new, external forces. Unless we are prepared to fight back, through computerization and other improved office processes, we may soon discover that "future shock" has already overtaken our profession and devasted it.

Newly-Licensed Abstracters Exemplify Productive Kansas Educational System

The newest licensed abstracter at Leopold-Anderson Abstract Co., Garden City, Kansas, is Lea Ann Scott, center, shown with KLTA Past President Willard T. Leopold and Wilmetta Anderson, president and vice president, respectively, of the concern. Scott, who also has worked as an oil and gas landman, attended two Kansas Land Title Association Schools before passing the state abstracter license examination last September. She joined the Garden City title company in August, 1980, and says that—while there is no substitute for experience in preparing for the examination—the KLTA School and title course study guide nonetheless were immensely helpful. Regarding the school, she comments: "I think the classes were well presented and handled in good depth, particularly in that we were given actual problems to work out and then discuss as opposed to pure lectures. The group discussion gave us the opportunity to learn from others' experiences in their own counties."

Congratulations are extended to newly-licensed abstracter R. Michael Tyler, left, employee of The Guarantee Abstract & Title Company, Inc., Kansas City, Kansas, by Joe F. Jenkins, II, Kansas Land Title Association past president and president of the company, who presents him with his license. Tyler has been employed by the title concern for over three years, working in most phases of the operation, and attended the KLTA School last year besides using the association's title course study guide. Comments Jenkins: "Mike is proof that the system in Kansas works, and it works because of the cooperation between the state government and its various departments and the Kansas Land Title Association."

KLTA school and title course nevertheless are closely linked to the state abstract examination and licensing procedure. The examining board's three members appointed by the Kansas governor each must have five years experience as a licensed abstracter. Under state law, a company must employ at least one licensed abstracter in order to do business in Kansas.

The license examination is given two times annually and consists of four sections: legal descriptions, content (instruments and court cases), judgment liens, and title insurance.

Originally, an overall score of 75 per cent was required to pass the examination. During the time I served on the board, this was changed after we determined an applicant could do well on some sections of the test, do poorly on others, and still accumulate a passing score. It was our view as board members that each section is important enough to warrant a 75 per cent passing score, and we made this a requirement. If an applicant scores 75 per cent on one or more sections but does not make a passing score on every section, he or she does not have to re-take the test on the section or sections passed.

In addition to licensing, state law also requires bonding of abstracters and—as previously mentioned—E&O insurance.

Although the growing use of title insurance has significantly reduced the volume of abstracts in metropolitan areas of Kansas, KLTA members there and elsewhere feel the examination helps produce good title people and encourage their employees to become licensed. Many more applicants take the examination than formerly was the case and employers seem much less concerned that their licensed employees may be future competitors.

Both the school and examination stress high professional standards. Besides proficiency, there is a good deal of emphasis on properly serving the public. In one example, the examination includes a question where the abstracter makes an error and the applicant is asked to state how he or she would handle it with a consumer.

In my experience, the young people coming into the title business are very interested in school, courses or anything else that will help them become more professional. The quality of applicants taking the examination is outstanding. All this gives KLTA members a very good feeling about the association school and title course—and the future of our industry.

Directions

Dr. Nelson R. Lipshutz, President
Regulatory Research Corporation
Waban, Massachusetts

Richard W. McCarthy
Director of Research
American Land Title Association

Title insurance and property-casualty insurance differ greatly in their financial structure, and this difference has a profound effect on the profitability of these lines from the stockholder's viewpoint. The difference embodies a growing threat to the economic health of the title business.

Financial leverage (or "trading on the equity") refers to using borrowed money instead of additional equity capital to expand the asset base of a business. If the average rate of return on assets that a business can earn exceeds the interest rate that has to be paid on borrowed funds, financial leverage increases the net earnings available to stockholders without increasing the amount they need to invest. This also increases the rate of return on owner's equity. At the same time, leverage increases the variability of earnings available to stockholders, so their investment risk also increases.

In most types of business, the stockholders (either directly or through their management) are free to choose whether to employ financial leverage with its attendant risks and benefits. But there is one group of businesses in which achieving a high degree of leverage is the main point of the enterprise. This group is the financial intermediaries, and it includes property-casualty insurers.

Leverage in Property-Casualty Insurance

Property-casualty insurers do not borrow large amounts of money in the conventional ways of taking out loans or selling bonds. The nature of their business, however, automatically results in a large pool of non-equity funds that has the same kind of financial effect on their stockholders that conventional debt has on the stockholders of other businesses.

Property-casualty insurers sell protection against future losses caused by future events. The future is unknown, unknowable, and almost uncontrollable, so a property-casualty insurer can do very little to reduce the magnitude of the risks it underwrites. Therefore, a property-casualty insurer must operate by collecting premiums in advance and holding them until they must be paid out to reimburse the insured for inevitable losses.

These prepaid premiums constitute a large pool of liquid assets that is available to the property-casualty insurer for investment. While the property-casualty insurer has control over the investment of these assets and the right to receive their earnings, it does not completely own the assets; rather, they serve as security against future loss claims by policyholders and are liquidated to pay off these claims as they occur. Therefore, the basic accounting concepts of revenue recognition and matching require a property-casualty insurer to establish a liability account. This is called the unearned premium reserve, to which premiums are posted and then amortized over the coverage period to properly match earned premium against loss expense over each accounting period within the coverage period. A property-casualty insurer must similarly establish a loss reserve to recognize loss expense in advance of actual reporting of loss. Thus, property-casualty insurer reserves represent a liability to policyholders that has many of the characteristics of the liability to holders of ordinary corporate debt.

But property-casualty reserves differ from ordinary debt in that they bear no interest cost. Hence, this kind of financial leverage does not burden the property-casualty insurer with additional fixed charges and so (as long as rates are adequate) provides all the conventional benefits of leverage without much of the downside risk.

The magnitude of a property-casualty insurer's reserves is a substantial fraction of its annual premium volume. The property-casualty insurer can hold on to the premium dollar for half the policy term, on average, before it incurs a loss and will also hold on to the premium for whatever additional time is necessary to complete the mechanics of claims settlement and disbursement of necessary funds. Thus, as a property-casualty insurer increases the ratio of written premiums to surplus (equity), it automatically increases the fraction of its total assets that is financed by advance payments by its policyholders. In other words, writing property-casualty insurance automatically creates financial leverage.

Leverage in Title Insurance

Title insurers have essentially no opportunity to use financial leverage in the way that property-casualty insurers do.

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TIPAC Leaders Receive First-Hand Electoral Update in Washington

Trustees and state advisory trustees of the Title Industry Political Action Committee recently received a first hand electoral update from governmental dignitaries as they gathered in Washington to discuss current activity.

After opening commentaries from TIPAC Chairman Thomas G. Kenney, chairman of the board, Transamerica Title Insurance Company, San Francisco, California, and TIPAC Treasurer Mark E. Winter, the assembled title men and women were provided with a Congressional view by Representative Mary Rose Oakar (D-Ohio), member of the House Committee on Banking, Finance and Urban Affairs.

Later in the day, they heard a commentary on the importance of political action committees from Representative Phil Gramm (R-Texas), and received an outlook on the 1984 Senatorial races from J. Brian Atwood and Mitchell E.Daniels, Jr., respective executive directors of the national Democrat and Republican Senatorial campaign committees.

During luncheon, guest speaker was Chairman Lee Ann Elliott of the Federal Election Commission.

There was ample opportunity to ask questions and engage in discussion with the speakers, as well as with TIPAC leaders. As they completed the agenda and headed for home, those on hand clearly felt the close-up of national politics they had received more than justified braving a winter snowstorm to reach Washington.

Chairman Lee Ann Elliott of the Federal Election Commission visits with C. J. McConville, left, Title Industry Political Action Committee trustee and president, Title Insurance Company of Minnesota, and ALTA Executive Vice President William J. McAuliffe, Jr., during the Washington meeting of TIPAC trustees and state advisory trustees.

Representative Mary Rose Oakar (D-Ohio), member of the House Committee on Banking, Finance and Urban Affairs, presents a Congressional view in her commentary during the Washington TIPAC meeting. Visible at left is Joseph D. Burke, TIPAC trustee and president and chief operating officer, Commonwealth Land Title Insurance Company, Philadelphia, Pennsylvania.

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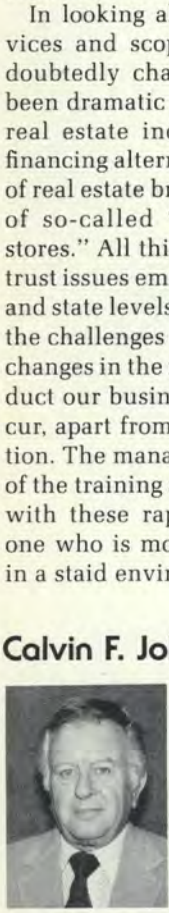
eclipse those of the past. Accordingly, the industry will have an ever-increasing need for broad-gauged managers who are innovative and have a creative thought process, rather than ones with highly technical skills. The manager must be able to clearly define the company's mission and have the skills to be able to delegate authority and motivate staff in a constantly changing socioeconomic environment.

In looking ahead, the industry's services and scope of coverage will undoubtedly change, just as there have been dramatic changes occurring in the real estate industry vis-a-vis various financing alternatives, the changing role of real estate brokers and the emergence of so-called "financial department stores." All this coupled with new antitrust issues emerging on both the federal and state levels adds a new dimension to the challenges of the industry. Dramatic changes in the manner in which we conduct our business will undoubtedly occur, apart from continued computerization. The manager of the future must be of the training and temperament to cope with these rapid changes rather than one who is most comfortable operating in a staid environment.

Calvin F. Johnson



Johnson

John D. Byers, retired President of McHenry Title Company, Woodstock, Illinois, and past president of the Illinois Land Title Association, with over 40 years of title expertise, summed up our industry when he suggested that we have been complacent, have bent over backwards too often, have been too provincial and have not exercised any effective leadership. Jack expressed his opinion in much stronger and more colorful language.

At first blush, this may seem to be a harsh assessment. Most of us are aware of the many inroads and changes (good or bad) that have taken place in our industry over the past few years, and I shall not attempt to re-enumerate them. Upon reflection, Jack was in some ways basically correct in his broad assessment.

The question then is: Shall we be complacent or accept what has transpired, learn from our past experiences and, using this knowledge, look ahead? I say look ahead.

What are the challenges to us as managers in the '80s? We all tend to be a trifle selfish, and reflect upon our own individual local environment. This is the basis on which I will attempt to answer the question. To me, as a manager, some of the most important challenges are:

1) *Increased Competition*. We must become more aware of what our competitors are accomplishing—price, service, knowledge of the law, etc.—and be ready to meet this challenge. Are we aware of the new creative ways of financing that are available in today's market? Can we effectively discuss this with our lenders, attorneys and real estate brokers?

2) *Regulatory Bodies*. What are the state and federal governments doing to regulate the title industry? Will it be beneficial or harmful to us and our industry? We must keep abreast of what is transpiring, voice our opinions to our elected officials and to our regional/state and the American Land Title associations.

3) *Automation*. This is a rapidly expanding new industry. Much could be said about what is on the market, and what will be coming on the market. We must continue to study, attend seminars and communicate with our fellow titlepersons about the rapid changes which are taking place that will affect us in the daily operation of our business. As managers, we should get our employees involved. If they don't like what we are doing, any changes we contemplate will be hard pressed to be successful.

4) *Improved Office Productivity*. Do you attend and do you send your employees to state and national association seminars, ask them to submit their ideas for internal improvement, and conduct training in the office and study ways to make your operation more efficient? Are you becoming more cost management efficient?

5) *Local Public Relations*. Do you support the local chamber of commerce; are you active in a political party; do you belong to a local service organization such as Rotary, Farm Bureau, local bar association (if you are a lawyer or have one on staff, or if they accept associate membership), area and state Realtor and homebuilder associations, etc.? Untold information can be gleaned from your active participation and support of these organizations. As managers, we should get our younger employees involved. Do you have a young woman or man who is coming up in your organization and shows promise? Put them in the Business and Professional Woman's Club or the Junior Chamber of Commerce.

6) *Full Support of the State/Regional Title Association and ALTA*. Become an active participant in our state/regional and national associations. They are doing a job for us, whether you are in total agreement or not. Voice your opinion, let them know your desires, how they can better serve you. If you don't, in five years you will still be complaining that "they don't do anything for me." The more you put into an organization, the more you will receive from it. Support the state and national political action committees. Ask your competitors to join our associations. Somebody once said: "United we stand, divided we fall."

Much more could be said. The future rests upon our collective shoulders. Maybe Jack was overly harsh about his assessment of our industry. If we all work together, listen to each other, we could change Jack's mind. I am sure it would make him happy. *Let's make Jack happy.*

Carloss Morris

Morris

We have to meet all of the challenges of the 1980s and there will be many new ones, but the thoughts I would like to give you are good for all times. However, I personally feel that automation will need to be stressed more in the '80s than later.

First, I believe that all managers of title companies must believe in themselves and in what they are doing. We are privileged to be in the title business in this great country because we are helping people own homes and more people own homes in the United States than in any other country. Such a partnership with the land and our country is the ultimate strength that gives our nation the ability to survive through good times and bad times. History tells us that the United States developed along the Eastern Seaboard, but the venturesome headed westward and one enterprising New Yorker was attracted to a small village on the prairie called Chicago. Later to become its mayor, 30-year-old William Ogden not only developed much of the infrastructure for that city of 4,000 but is best remembered for designing the sort of American home still favored today. Yes, three-fourths of the homes in America still begin with this light frame method of nailing 2 × 4s together so that the strain goes against the grain.

Indeed, the 2 × 4s of life that have shored up this great country, then as now against omnipresent strain and challenge, I firmly believe are the prevalence of home ownership which strengthens family life, the freedoms we enjoy and the great places of worship that have undergirded the moral fiber of this vast land. Home ownership makes us a part owner of this great nation. It is the basis of our defense and ultimately our freedom, because defending one's nation is defending one's property. Perhaps Iran would not have fallen if it had the percentage of home ownership that America has. Too few people in Iran had too much—wide home ownership would have stabilized Iran. If you add to a house the element of a loving family, with its circle of protection, nurture and love, the home is complete.

In the title business, we are a part of building a great nation and I am proud of it and each manager needs to be proud of what he is doing and believe in himself.

Second, all managers must have integrity to prevail in the 1980s as well as any other time. Integrity flows down instead of up. It is wonderful to live in a nation where the President has integrity and this helps integrity flow throughout government.

One great problem of the title insurance business today is the growing number of losses and I firmly believe that strong integrity will help keep these losses down.

Third, it is necessary for an office to set goals. Usually very little gets accomplished without goals. We have just finished playing the Super Bowl game and nothing happens on the scoreboard unless a team has a goal to cross the goal and actually crosses its goal. Management is no exception and must have goals.

Fourth, we need to carefully train our people so that they will do a professional job. Managers cannot afford to send the bill out the front door and the work out the back door. Trained people mean less losses and happy customers.

Fifth, we must keep our productivity up. Unless we can keep our productivity up, we can be priced out of the market and we will not be able to earn a profit. Managers and all associates in business can make more money if they keep their productivity up. Although the outside world does not realize it, salaries are the largest expense of a title company and, unless productivity is up, salaries cannot be justified and the business will fall into a loss posture.

In this day and age of automation, it will be necessary that a manager stay in the forefront of automation in order to keep productivity up and expenses down.

Sixth, it is necessary for a manager to keep all expenses down. Using a zero-based budgeting will certainly help to reassess all expenditures.

Seventh, Managers need to read widely and keep themselves informed as to what is going on in their communities as well as their states and nation. An informed manager can do a much better job.

Lastly, a manager must have an internal audit system and constantly check on each department in his business to be sure it is operating properly, efficiently, honestly, and is meeting its standards and goals.

The challenges of the '80s are great and we look forward to an exciting '80s and look forward to being a continuing part of the team that is building property, home ownership and a greater America.

L. K. Orthund

Orthund

Defining the challenge of the '80s in itself is a challenge. The uncertainties in economic recovery and the many changes in the business environment are enough to keep title company managers on their toes.

We have all become better managers in the past three years and those skills and experiences gained should not be forgotten. A manager must keep abreast of all the changes in financing brought about by deregulation of financial institutions. We should have a more active participation in housing and Realtor groups to sell our importance to the housing industry. We can be the focal point of bringing all the groups together.

A manager must maintain a dialogue with his underwriter concerning problems at the market level. We know better the competition factors and should work closely with underwriters to ward off serious situations. Competing on service and professionalism will maintain the high standards of our industry.

Managers should contribute at the state/regional association level in helping solve local problems and in keeping abreast of new legislation which may affect our business. The educational value of belonging to the regional-state as well as national association should be a strong consideration.

A manager today knows how to handle the daily operational problems—now let's sell our industry and earn the stature we deserve.

David R. Porter

Porter

Perhaps the most important ability required of the title company manager of the '80s will be the willingness to accept and adapt to the social and economic forces that already have and inevitably will change the face and nature of our industry.

The maintenance-type management that typified the style of title industry managers during so many earlier decades is a managerial style that cannot survive the 1980s. It's a management style that shouldn't have survived the 1960s, but old (and successful) ways do die hard in highly traditional and conventional industries.

In any event, the manager who will most effectively meet the challenges of this decade will need to be receptive to rapid change, creative and quick to react to both the threats and the opportunities now confronting us and that will confront our industry in the 1980s and beyond. The abilities to perceive approaching change and then act decisively to produce benefit (spell PROFIT) from those changes, are the managerial characteristics that will separate the winners from the losers in the competitive struggle for the title insurance profit dollars.

An effective title industry manager at any level in the company organization does, however, need more than an effective managerial style to meet the increasing complexities of our business. Today's manager must master a range of knowledge and skills not even dreamed of by title managers of the very recent past. The most obvious skill requirement, of course, involves the field of automation and data processing. Any title company manager today, whether at the branch, staff or executive level, must possess at least rudimentary understanding of the language and workings of data processing technology. The benefits and the risks in the application of data processing systems to the

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Title insurers sell protection against losses caused by problems with the title to real property arising out of events that occurred before the effective date of the policy.

Because most uncertainty about the past can be eliminated by careful research, a title insurer can exert a great deal of control over the risks it underwrites. Because of the great importance of real estate titles, public policy (in many states incorporated explicitly into statute) has caused title insurers to establish highly stringent underwriting criteria, eliminating risk to the extent possible through careful examination of title evidence before insuring. Consequently, title insurers operate by collecting premiums, most of which are immediately paid out to cover the cost of title search and examination and of policy production, and substantially fewer losses occur in title insurance than in property-casualty lines.

Therefore, in contrast to property-casualty insurers, title insurers cannot retain the premium dollar for any significant time before it is expended in the ordinary course of business. Title insurers cannot get their policy holders to finance their investment activities. Hence, there is very little financial leverage in title insurance.

Unfortunately, this fact has been obscured by the canons of statutory insurance accounting. Because the search and examination process keeps the loss ratio very low, the title insurance premium is fully earned, in the usual accounting sense, as soon as it is collected. Thus, generally accepted accounting principles (GAAP) would not require title insurers to establish an unearned premium reserve for the purpose of matching earned revenue to expense. But statutory accounting principles, in order to provide additional protection to policy holders, do require title insurers to defer the recognition of some of their income to establish a reserve for the purchase of reinsurance in the event of financial difficulties. This statutory reinsurance reserve of title insurers has been confused with the unearned premium reserve of property-casualty insurers. But the title insurance reinsurance reserve does not represent large advance premium payments being held until inevitable losses occur. It is merely the deferring of a small part of a title insurer's pre-tax operating income, and on a GAAP basis is treated as part owner's equity and part reserve for federal income taxes.

Numerical Comparison of Leverage, Title Insurance and Property—Casualty Insurers

The difference in financial leverage between title insurers and property-casualty insurers is that, while a title insurer typically raises only about $0.32 in additional funds for each dollar of equity capital invested, a property-casualty insurer typically generates an additional $2.50 for each dollar of equity. In other words, property-casualty insurers leverage their equity almost eight times more than title insurers can.

This enormous difference in leverage means that investment operations are much more important for property-casualty insurers than for title insurers. For the period 1974-1982, investment income accounted for all the property-casualty industry's pre-tax profit (excluding capital gains and losses), while title insurers received less than 50 per cent of their pre-tax profit (excluding capital gains and losses) from investments. This difference had important implications for the relative profitabilities of these industries from their stockholders' viewpoint.

Research during the past decade has demonstrated the significance of applying rate of return on investment methods to the analysis of title insurance profits. The earliest attempts to apply return on investment techniques in this area focused on a broadly defined investment base, generally termed total capital, which includes all equity funds, all reserves, and all borrowed money. There are economic applications in which this measure of profitability has strong theoretical support. The return on total capital is generally held to be the most theoretically "clean" measure of profitability, because it is the same for two companies or industries that differ only in the amount of financial leverage they use. Therefore, it facilitates comparisons between companies or industries that are affected only by differences in the innate earning powers of their respective asset portfolios.

This kind of comparison is most apt when it is important to measure the intrinsic profitability of a business that could be operated by using many different financial structures. But this kind of comparison omits a great deal when it is used to compare industries that do not have the same freedom to choose their financial structures. Such a problem presents itself when title insurers and property-casualty insurers are compared.

It is not possible for title insurers to place themselves in the same leverage position as property-casualty insurers. Title insurers cannot borrow with zero interest cost, while property-casualty insurers effectively can. Comparing these two industries in terms of the return on total capital obscures this important fact and so cannot give a complete picture of their relative abilities to attract and retain equity capital. This defect can be remedied by examining the rate of return on owner's equity.

In a healthy economy, the overall pattern of rates of return reflects the distribution of investment risks, risk being measured by the variability of the rate of return. Investors in relatively more risky businesses demand higher rates of return; investors in relatively less risky businesses accept lower rates of return. This principle holds true whether rate of return on total capital or rate of return on owner's equity are used to measure profitability. However, the rate of return on owner's equity must be adequate to compensate the investor for two sources of risk: the intrinsic business risk associated with fluctuations in the earning power of the firm's or industry's assets, and the financial risk associated with the use of leverage. When viewed from the risk-return perspective of the stockholder, property-casualty insurance and title insurance look very different indeed.

During the period 1974-1982, the property-casualty insurance industry had an average after-tax rate of return on owner's equity of about 19.3 per cent, while the title insurance industry had a return of approximately 7.3 per cent (To make these comparisons in a consistent way, the title insurance rate of return has been stated on an approximate GAAP basis.[1]) The standard deviation for the property-casualty return on owner's equity was 4.76 for the years 1976-82, while for the title insurance industry it was 5.65 for the same period.

The contrast between property-casualty insurance and title insurance in risk-return terms is striking. Through financial leverage, the risky property-casualty insurance industry is able to impressively compensate its stockholders by earning a commensurately high rate of return on owner's equity. On the other hand, the relatively more risky title insurance industry, which cannot use financial leverage to any significant degree, offers a very low rate of return.

High risk and low stockholder profitability characterize the least healthy American industries, such as automobile manufacturing and steel. Automobile manufacturing and steel are universally recognized as suffering from technological stagnation and weakness against competitive pressures, which are directly linked to an inability to attract and retain equity capital. If title insurance is to avoid this fate, creative solutions must be found that include improved productivity and prompt rate relief.

1. For a discussion of the relative profitability of the title insurance industry and other related industries, see "Title Insurance Industry Statistics 1982," published by the American Land Title Association.

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title insurance business can be enormous.

A title manager without basic data processing skills will have little chance of survival in today's title business environment and absolutely no chance at all in our future business environment. Computerization is inevitable, and it is we, the managers, who bear the ultimate responsibility for the success or failure of that expensive computer system we finally recommend or approve. We must equip ourselves and our managers with the requisite skills necessary to make a reasoned business judgment in the sophisticated and risky world of data processing and automation.

Another area of technical expertise that will be absolutely essential to the manager of the '80s is that of the multitude of new laws governing employer-employee relationships. A manager untrained in this body of rapidly-changing rules and laws can cost the company more dollars than its title losses, and create more adverse publicity than any misinformed real estate columnist—not to mention employee ill will.

Space does not permit a full enumeration of all the capabilities that will be required of the manager of the 1980s. Suffice it to say that managers of today and the future will need all the personal, technical and political skills of their predecessors, plus the discipline and ability to understand where new opportunities for advantage exist in the challenges of the 1980s.

Names In The News . . .

Joseph D. Burke has been named president and chief operating officer of Commonwealth Land Title Insurance Company, Philadelphia, Pennyslvania. Burke, previously the company's executive vice president, joined Commonwealth in 1960. He is a member of the ALTA Executive Committee and Board of Governors, and a trustee of TIPAC, the Title Industry Political Action Committee.

Jack H. Oliver, vice president and Wisconsin state manager, has been named operating manager for Title Services, Inc., a subsidiary of Commonwealth in St. Paul, Minnesota.

Also named to new positions with Commonwealth are **Janet B. Sheffield,** vice president and escrow officer and national title service representative, Houston, Texas; **Stephen H. Weatherby,** assistant vice president and assistant controller, Philadelphia; **John W. Lawrence,** assistant vice president—executive account manager, Dallas, Texas; **Claire T. Van Olden,** assistant vice president, Paterson, New Jersey; **John D. Waters,** senior claims counsel and remains assistant vice president, Fairfax, Virginia; **Nicholas J. Simeone,** Connecticut state counsel, Hartford, Connecticut; **Millie A. Hawkins,** division title officer, Colorado Springs, Colorado; **Lloyd R. Draper,** Texas agency manager, Dallas Texas; **Florence M. Rozycki** and **Edward J. Rose,** assistant title officers, and **Linda L. Groman,** assistant records officer, Philadelphia, Pennsylvania.

Appointed to the position of closing officer with Commonwealth in Pennsylvania are **Richard A. Girard,** South Philadelphia; **Nanci K. Reese,** Lancaster; and **Eleanor Bloss,** Philadelphia.

R. Laird Sommerville, Jr. has been named president and chief executive officer of Berks Title Insurance Company, Reading, Pennsylvania. Also named to new positions with the company are **Leroy G. Snyder** to vice chairman and **Keith T. Brown** to senior vice president and comptroller.

Rita Smith has been promoted to secretary-treasurer of Title Insurance Company, Mobile, Alabama. **Smith** replaces **Nita F. Childs,** immediate past treasurer of the Dixie Land Title Association, who retired as company secretary-treasurer


Burke


Weatherby


Lawrence


Hawkins


Reese


Sommerville


Snyder


Brown


Alpert


VanBuskirk


Beck


Bozarth


Williams


Quisenberry


Brenner


Volino

after 14 years with Title Insurance Company.

In addition, **William Case** has been promoted to title officer and **Melinda Wood** to research officer with the company.

Lawyers Title Insurance Corporation announces the following appointments in its national headquarters, Richmond, Virginia: **Janet A. Alpert,** senior vice president—national divisions; **Scott A. VanBuskirk,** associate counsel; **Joseph J. Beck,** reinsurance counsel; **Robert S. Bozarth** and **Donald R. Williams,** associate counsel, and **Susan G. Quisenberry,** assistant vice president—systems.

The following appointments have been made in the company's Troy, Michigan, office: **John H. Brenner,** vice president and Michigan state manager; **Nicholas Volino,** mid-western states counsel; **Sherry Hinsperger,** assistant vice president—sales; and **Craig Husband,** branch manager.

Theodore P. Gennett has been elected vice president and Pennsylvania state manager, Lancaster, Pennsylvania; **Bruce O. Barker** has joined the Belleville, Illinois, office as branch manager, and **Mary D. Pull** has been appointed assistant branch manager, Cleveland, Ohio.

First American Title Guaranty Company, Oakland, California, has named **Richard P. Pauletich** vice president—administration and **Frank E. Truesdale** internal auditor.

James F. Schab has been appointed branch manager of American Title Insurance Company's Grand Rapids, Michigan, office.

Ticor Title Insurance Company of California has named **Connie Stevenson** assistant vice president and area escrow manager, Santa Cruz, and **Clinton S. Bear** assistant vice president and major account executive, Bakersfield.

Ticor Title Insurance Company has named **Debra J. Wallerstein** major account executive, Boston, Massachusetts; **David W. Toomey** manager, Sussex County office, Georgetown, Delaware; and **Lucille Sievers** area branch manager of the company's new Larimer County office, Fort Collins, Colorado.

American Title, Houston, Texas, a division of Ticor Title Insurance Company, has announced the appointment of **Janice G. Shugart** to director of residential marketing and **Marilyn Babbit** to assistant vice president and manager of the company's Memorial West office. **Kay C. Carlson** and **Diane E. Hollas,** Galleria office, and **Nettie Pletcher** and **Sherry Hall,** Memorial West office, have been appointed escrow officers in the Houston offices.

Rita Henderson Darden has been named title officer for the four Galveston County offices of Stewart Title Company, Galveston, Texas.

Chicago Title Insurance Company announces the following appointments: **Robert L. Neihoff,** vice president, to regional agency manager, Pasadena, California; **John Dwyer** to resident vice president and manager, direct and owned operations, Denver, Colorado; **Randy Howard** to manager and remains office counsel, Richmond, Virginia; and **Bill Fleming** to office manager, Kansas City, Missouri.

Also the company announces these appointments in its Chicago, Illinois, office: **Peggy Baker,** senior escrow officer; **Diane Kenner,** escrow officer and remains manager, construction payouts; **Jackie Werle,** escrow operations officer and remains manager, national services division; and **Maria Byron, Eilenn Morris, Joe Stryczek,** and **Carolyn Vlasek,** senior escrow officers and remain escrow closers.

Thomas D. Griffith has joined Stewart Title & Trust of Tucson, Arizona, as controller.

Lem P. Putnam, a past president of the Oregon Land Title Association and a 38-year veteran in the title industry, has retired as Oregon state manager for Ticor Title Insurance Company. He is a member of the Oregon State Bar and a past president of the American Right of Way Association.


Husband


Gennett


Barker


Pull


Schab


Shugart


Babbitt


Darden


Dwyer


Baker


Byron


Morris


Vlasek


Putnam

Calendar of Meetings

March 28-30
ALTA Mid-Winter Conference
Capital Hilton Hotel
Washington, D.C.

April 16-18
Virginia Land Title Association
Tides Lodge
Irvington, Virginia

April 26-28
Arkansas Land Title Association
Inn of the Ozarks
Eureka Springs, Arkansas

April 29-May 1
Iowa Land Title Association
New Hotel Savory
Des Moines, Iowa

May 10-13
Oklahoma Land Title Association
Skirvin Plaza Hotel
Oklahoma City, Oklahoma

May 16-18
California Land Title Association
Hyatt Del Monte
Monterey, California

May 17-19
New Mexico Land Title Association
Marriott Hotel
Albuquerque, New Mexico

May 17-20
Texas Land Title Association
Registry Hotel
Dallas, Texas

May 24-27
North Carolina Land Title Association
Mills House
Charleston, South Carolina

June 3-5
Pennsylvania Land Title Association
Toftrees
State College, Pennsylvania

June 7-9
Tennessee Land Title Association
Ramada Inn
Gatlinburg, Tennessee

June 21-23
Colorado Land Title Association
Keystone Resort
Keystone, Colorado

June 21-23
Oregon Land Title Association
Pendleton, Oregon

June 21-24
New England Land Title Association
Dunfeys Hyannis Hotel
Hyannis, Massachusetts

June 22-24
Illinois Land Title Association
Clarion Hotel
St. Louis, Missouri

July 8-10
Michigan Land Title Association
Grand Hotel
Mackinac Island, Michigan

August 16-18
Idaho Land Title Association, Montana Land Title Association, Wyoming Land Title Association
Virginian Motel
Jackson, Wyoming

August 16-18
Minnesota Land Title Association
Grandview Lodge
Brainerd, Minnesota

August 23-25
Kansas Land Title Association
Hilton Hotel
Garden City, Kansas

September 8-11
Indiana Land Title Association
Radisson Plaza Hotel
Indianapolis, Indiana

September 12-14
Nebraska Land Title Association
Regency West
Omaha, Nebraska

September 13-15
North Dakota Land Title Association
Holiday Inn
Dickinson, North Dakota

September 14-16
Dixie Land Title Association
Gulf State Park
Gulf Shores, Alabama

September 19-22
Washington Land Title Association
Sheraton Tacoma Hotel
Tacoma, Washington

September 20-23
Missouri Land Title Association
Hyatt Regency
Kansas City, Missouri

October 14-17
ALTA Annual Convention
MGM Grand Hotel
Reno, Nevada