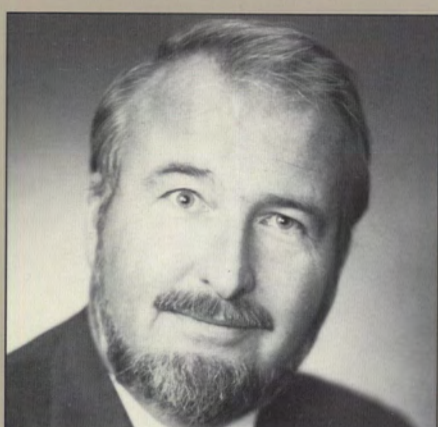
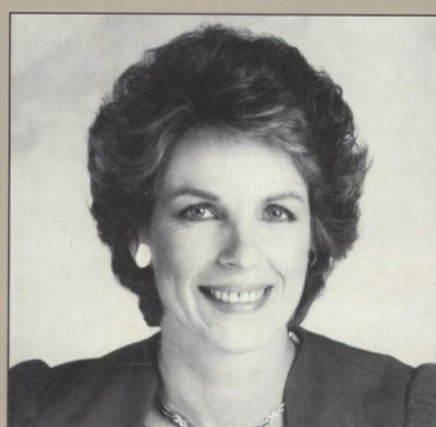
TITLE News
MAY • JUNE 1988

Movers And Shakers—1988




Influential Figures For The Title Industry

MAY • JUNE 1988

TITLE News

Volume 67, Number 2

Managing Editor: Adina Conn

Front Cover: *Movers and Shakers of 1988 (clockwise): Senator Orrin Hatch (R-Utah); President, Universal Title Insurance Co., Mel Bois, Edina, MN; Senator Ted Kennedy (D-MA); ALTA Chairman, Errors and Omissions Committee, F. Earl Harper, Bartlesville, OK;* **Newsweek** *columnist Jane Bryant Quinn; and President, Title Office, Inc., Edward H. Marsilje, Holland, MI.*

FEATURES

DEPARTMENTS

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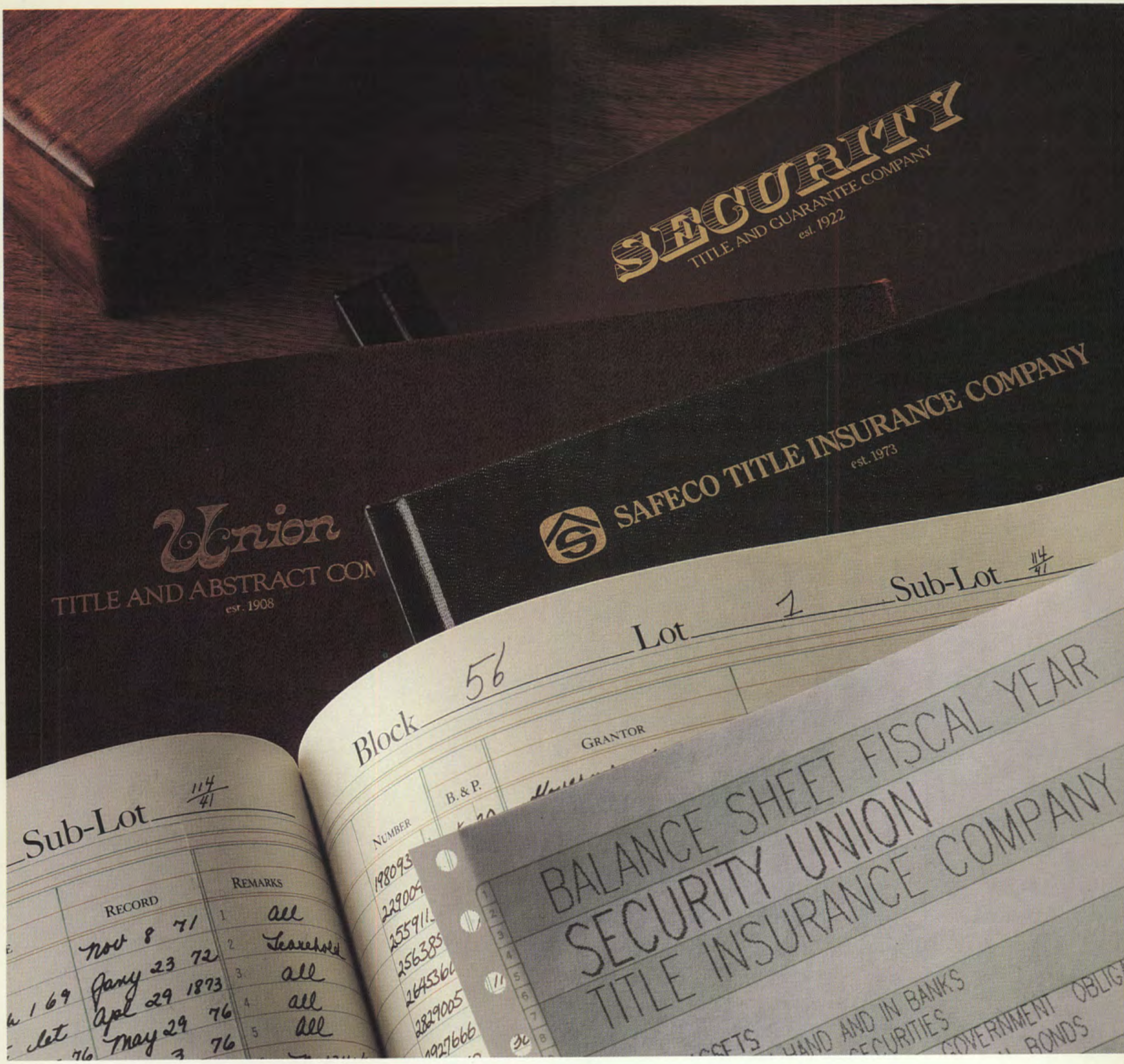
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TITLE AND GUARANTEE COMPANY
est. 1922
Union
TITLE AND ABSTRACT COM
est. 1908
SAFECO TITLE INSURANCE COMPANY
est. 1973
Sub-Lot
Lot
Block
GRANTOR
RECORD
REMARKS
BALANCE SHEET FISCAL YEAR
SECURITY UNION
TITLE INSURANCE COMPANY

A MESSAGE FROM THE UNDERWRITERS SECTION CHAIRMAN

1987 was an exceptional year for our industry. Revenues were up—largely due to refinancing volume in the first half of the year—and real estate activity in general was active by any historical comparisons.

We are now well into a new year, a year which holds less promise and more challenge for our industry. Many economists expect the economy to be lackluster in 1988, with lower growth and somewhat higher inflation.

Stock market volatility and government budget-reducing efforts are wild cards that will influence the real estate industry—and, by extension, our industry—in the coming months. We must be prepared to deal with whatever develops in 1988. Intelligent expense management and risk avoidance will be essential to making the best of an uncertain outlook.

In light of these conditions, the challenge for 1988 for our industry will be to maintain reasonable profitability in the face of declining revenues. Meeting that challenge will require tight control of expenses, prudent underwriting, and claims reduction.

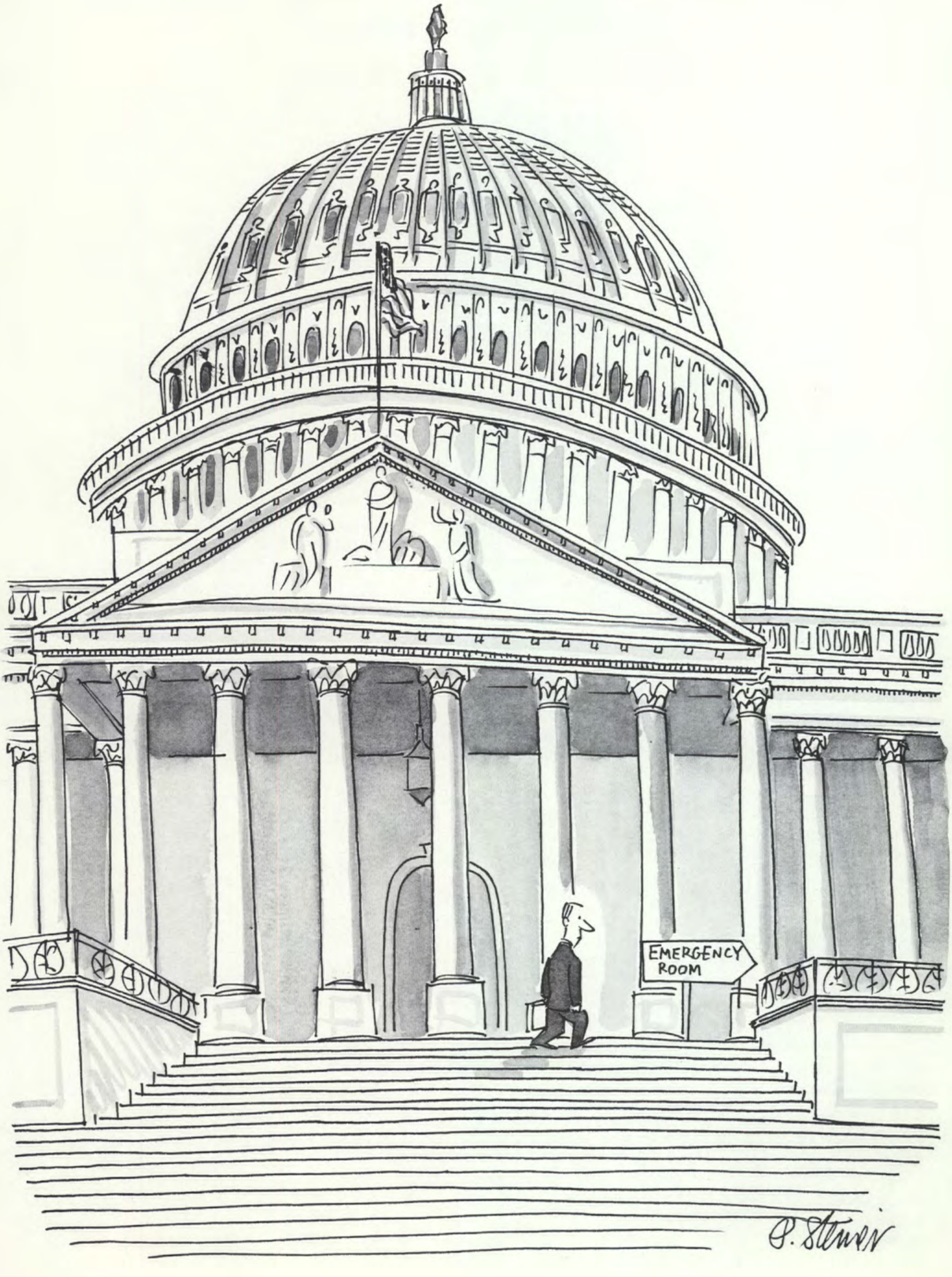
Managers at all levels will recall the lessons of 1979-83 as this year proceeds, and this is the year of the manager. Our skills as managers will be tested to the utmost as we navigate through another cycle and the challenges that accompany such cycles.

This is also an election year and a particularly important one. We should individually consider the field of candidates—local, state, and federal as well as our business interests. Which candidates best understand the linkage between governmental policy and business environment? Sustained efforts to communicate with candidates will unquestionably influence the future direction of legislation and taxation—important issues to all of us.

So, as always, there is much to do this year both within our businesses and our communities. Our industry has uncommon geographical coverage, yet common concerns. A concerted effort to communicate these concerns to those who influence the business environment will serve us all well in the future.

And—also as always—mind the store.

Richard P. Toft



P. Steiner

Who Is Responsible For The Health Care Of Our People?

Introduction by Adina Conn

There's a heated debate raging in the halls of Congress over who should be responsible for the health care of our nation's citizens. For many years, proponents such as Senator Edward M. Kennedy, (D-Massachusetts), have led the battle to promote a national health insurance program.

On February 17, 1988, the Labor and Human Resources Committee (headed by Senator Kennedy), approved a controversial bill (S 1265), which, if passed, would require employers nationwide to provide health insurance coverage for their employees.

Kennedy, chief sponsor of the bill, says his proposal would provide health care to an estimated 23 million of the workforce or the dependents of those employed.

Those opposed to the bill, maintain it would be more detrimental than beneficial. Senator Orrin G. Hatch (R-Utah), chief opponent of S 1265, maintains the bill would eliminate jobs, cost the economy billions of dollars, as well as raise the cost of health and inflation.

For those in the title industry, this proposal carries diverse implications. For large businesses and corporations, the problem often becomes a philosophical question of whether the federal government should intrude upon the affairs of private industry. Some larger companies, the vast majority who are unionized, have expressed interest in a mandated health proposal, since they generally provide health insurance plans to their employees already.

For small businesses, the debate over the bill far exceeds that of a moral dilemma. High costs and employee turnover, along with the proposal's inflexibility, are the main problems small businesses anticipate encountering. Says Legislative Representative for the National Federation of Independent Business, David Rehr, "The mandated health bill reduces the flexibility for benefit or compensation packages—both of which benefit the employer and employee. For example, a person who is relatively healthy should have the choice of whether he'd rather receive more cash and fewer benefits, or vice-versa. Under the bill's provision, one has no choice." Rehr continues by saying, "This proposal is really 'back-door' national health insurance. Because the government has created such high deficits, its solution for the bill's funding is to impose the burden of the expense upon business. It's a way of 'social engineering.' "

Whichever side one takes, there still exists a very great health care problem throughout this nation. An estimated 37 million Americans currently lack any kind of health care insurance—public or private. The following are the contrasting arguments for the Mandated Health Benefits Act, as presented by Senators Kennedy and Hatch:

Senator Edward M. Kennedy has proposed legislation that addresses the serious problem of access to essential health care, confronting vast numbers of people in this country. More than 37 million Americans do not have health insurance—public or private. The number of uninsured has increased by more than a million a year since 1980. In addition, millions more Americans have inadequate insurance by any reasonable standards. Each of these uninsured and underinsured Americans is a potential tragedy waiting to happen.

The most effective measure to be taken is requiring all employers to provide a basic package of health insurance coverage to their employees and the dependents of their employees.

The vast majority of businesses today already provide health insurance to their workers. Yet, two-thirds of those who lack basic health insurance protection are workers or dependents of workers. For more than half a century, Americans have required employers to pay a minimum wage, to participate in Social Security, to contribute to unemployment compensation, and to purchase workman's compensation insurance.

The proposed legislation provides all medically necessary hospital care, physician care, diagnostic tests, and prenatal and well-baby illness, with a cut-off of $3,000 in out-of-pocket expenses. The program limits: deductibles to $250 a person and $500 a family, co-payments to 20 percent of the cost of any service, and it limits the worker's share of the premium to 20 percent.

Since this legislation was introduced, it has undergone a number of refinements. The first substitute includes a limited mental health benefit. Today, most businesses that insure their workers, provide a mental health benefit comparable to, ***or*** better than the one proposed.

Second, the substitute includes an improved and more specific procedure for determining actuarial equivalency. This change has been worked out with the assistance and advice of the Washington Business Group on Health, and should help allay concerns of many businesses that supported the concept of actuarial equivalency but were troubled that it might prove difficult to apply in practice.

Third, the substitute includes special treatment for family farms. Under the substitute, mandatory coverage for employees of family farms will not begin until prices for the major commodity produced by the farm reach 70 percent of parity, unless a majority of family farms within the commodity group vote to be included voluntarily in order to take advantage of the low cost insurance offered by the regional insurers created by the legislation.

Fourth, coverage requirements were modified for the "temporary help" industry. This was done in order to meet the special needs and circumstances of that industry and its employees. Under the modification, employees will have to meet a total hours test over a six month period, rather than a weekly hours test for each month or coverage.

Fifth, the substitute improves the provisions on regional insurance. Some small and medium-sized insurers raised the concern that, regardless of the quality and cost of their product, they might not be large enough to bid successfully to be a regional insurer. The substitute allows any insurer to become a regional insurer if it meets the standards of the bill. This revision preserves the cost-savings to small businesses that the original design would have achieved, but provides for greater competition among regional insurers and greater opportunities for smaller companies to compete.

The Opposition

In the existing tight budget situation, there are those who feel they can achieve their social objectives by requiring private employees to provide a vast array of benefits to all employees, regardless of the actual cost of such a mandate or the desire of the employees. These individuals claim that since the cost to the federal government of such mandates is negligible, there is no real cost to the economy. Senator Orrin Hatch believes this to be false.

The National Foundation for the Study of Employment Policy, has conducted a study which provides an understanding of what the actual cost of these proposals would be, as well as offers a better basis for deciding whether Congress should force these costs upon employees, employers, and the general public.

The recent study entitled, "The Private and Public Sector Costs of Proposed Legislation Calling for Additional Benefits for Employees," by Robert R. Nathan Associates, Inc., estimates some of the direct and indirect costs to the private sector employers and employees of four legislative proposals, namely S 1265, the Minimum Health Benefits for All Workers Act of 1987; The Parental and Medical Leave Act of 1987; the High Risk Occupational Disease Notification and Prevention Act of 1987; and the Economic Dislocation and Worker Adjustment Assistance Act.

The cost of each of these bills is summarized by the following:

- $32.8 to $48.8 billion per year for mandatory health insurance legislation.
- $0.2 to 0.6 billion per year for health insurance costs of family and medical leave legislation.
- $5.8 to $6.4 billion per year for high-risk occupational disease notification legislation.
- $1.0 to $2.0 billion per year for advance notice legislation.

The total costs of these four bills would amount to $39.5-$47.8 billion.

This study, for example, estimates the cost of Senator Kennedy's mandated health insurance bill to be $32.8 to $38.8 billion. This estimate includes only the direct cost of mandating health insurance for those workers not presently covered, and is based on multiplying the number of new health insurance policies by the number of uninsured workers. It is important to note that this cost estimate does not take into account additional costs that will be added to those employers and their employees who already have coverage and will be required to increase their current benefit package.

Evaluating the Parental and Medical Leave Amendments, Nathan and Associates projected a new, annual cost on employers of $186 to $573 million per year upon employers and employees. This estimate does not include any new losses in productivity that may be due to increased leave-taking or other such losses.

A minimum price of $5.8 to $6.4 billion is placed upon the High-Risk Occupational Disease legislation. This cost varies depending on the number of workers who are notified, the number of workers exposed while at their current place of employment, the cost of medical screening and monitoring per subject, and the number of screened workers who would need to be moved to less hazardous or non-exposed jobs.

Finally, the study finds that the so-called "plant closing bills" will cost at least $1 to $2 billion per year. These costs include administrative costs of $962 million per year, an average of $6 million per year in loss of staff, and an average of $850 million per year in penalties.

Again, the cumulative cost of the proposed labor agenda is at least 40 to 48 billion dollars. In other words, to implement these proposals, the private sector will have to pay at least $40 to $50 billion each year.

For many companies, these dollars represent all profits. They represent jobs and economic growth, research and expansion. The negative ramifications are obvious. Job creation and economic growth will come to a screeching halt.

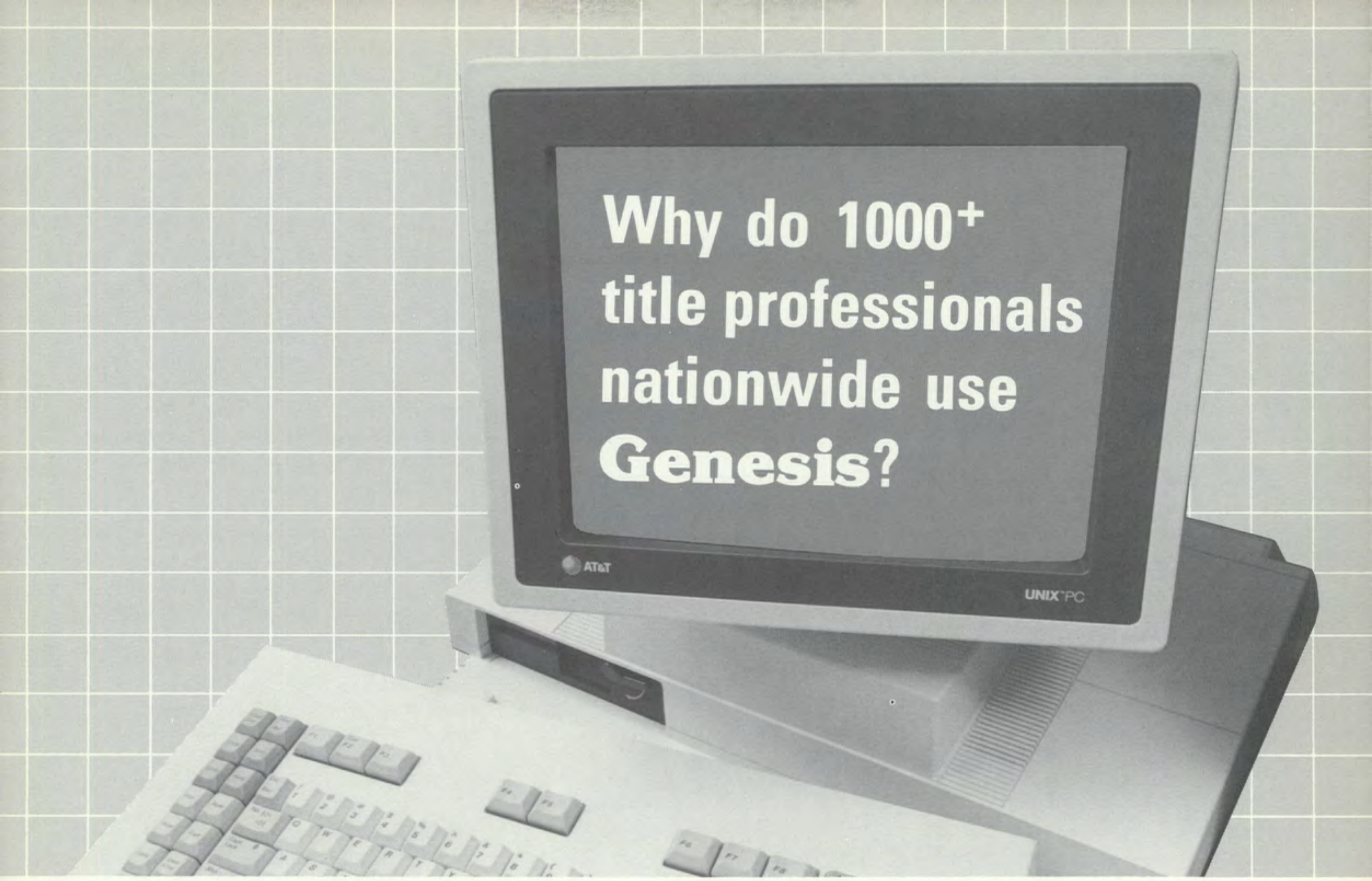
Who becomes the real loser? The American worker. In the long run, the working people of America will pay for this agenda. They will fund it through their own paycheck, through reduced wages, benefits and work hours, and through lost jobs and higher costs. These proposals will result in an indirect tax on all Americans. This study makes it quite clear the choice Americans face. If these proposals are enacted, they will cost at least $40 billion per year, and tax workers, reduce jobs, and cause havoc within American business.

"All workers and their dependents are entitled to the same effective, job-based health insurance that many people take for granted. S 1265 is simple, and practical to implement in practical ways that take account of the specific circumstances of individual firms and industries."

—Sen. Edward M. Kennedy, D-Mass.

"There seems to be a growing consensus that this bill is too big, too costly, and too ineffective. It demands that we impose at least a $30 billion answer to an $8 billion dollar problem."

—Sen. Orrin G. Hatch, R-Utah



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People Are Talking About . . .

While the spreading of health insurance to those who do not now have it is certainly a desirable goal, a legal requirement that saddles businesses, particularly small businesses, with filling this gap seems questionable.

Many of our ALTA members are small to medium companies and although most of them may be furnishing medical insurance to their employees, some may find it quite bothersome to comply with the mandates of the proposed law.

The title industry traditionally has been made up of independent people who believe in freedom of choice in their businesses. I believe title companies and their employees would prefer that medical insurance and other employee benefits be provided on a voluntary basis, rather than by government mandate.

A government task force to determine ways to make insurance cheaper and more available to small businesses would seem to be a better approach. The ALTA Group Insurance Trust is an example of what American business can do for itself in this area.

Marvin C. Bowling Jr.
ALTA President
Executive Vice President, Law & Corporate Affairs
Lawyers Title Insurance Corporation
Richmond, Va.

This legislation would have no immediate impact on our Company because we already provide health insurance benefits in excess of those mandated. However, I have genuine concern about the bill.

- *It would have serious financial consequences for many of our agents who are small businessmen and could not afford the additional cost.*
- *It is the first step toward National Health Insurance which Senator Kennedy has been espousing for years—and which has proved to be a disaster in both England and Sweden.*
- *It removes the employees' choice of benefits at companies with cafeteria style fringe benefit programs.*
- *It may encourage companies to reduce their health insurance coverages to the minimums set by the bill—to the employees' detriment.*
- *This will provide another costly way for incumbent Congressmen to woo voters in future years by increasing these benefits . . . with COLAs or other direct "improvements." Have you ever heard of Congress **reducing** any voter sensitive benefits?*
- *At a time when our country is faced with an overwhelming deficit, why enact new and costly programs like this? The citizens' mandate is for Congress to **reduce** the deficit . . . not increase it.*

C. J. McConville
ALTA Past President
Chairman and Chief Executive Officer
Title Insurance Company of Minnesota
Minneapolis, Minnesota

For 30 years we have provided health insurance with better benefits to our employees. That, however, was our decision. For Congress to mandate such expense for every business is an unwarranted intrusion into private enterprise. Those supporting such legislation know they can't get a tax increase so they put the burden on business. Not having a "Pot of Gold" as most liberals imagine, business has no alternative but to pass the cost along to their customers and/or employees. Socialized medicine here we come!!

Roger N. Bell
ALTA Past President
President, The Security Abstract & Title Co., Inc.
Wichita, Kansas

It is inconceivable that S. 1265, in its present form, is being seriously considered by Congress. It should be titled the Small Business Education Act.

A bill which forces employers to provide health insurance for all their employees by paying a minimum premium of 80 percent is a fraud against the public. The sponsors of the bill are attempting to socialize the medical field without personally experiencing the heat and feedback from the taxpayer who pays the tab. This bill will not only socialize medicine, but will also force the working person to pay the insurance industry rather than the government through one's taxes. If we are going to socialize medicine, let's call it what it is and do it directly so that the government can dictate what the provider of medical services charges. What protects the public from ever increasing medical costs if mandatory health insurance is put into law? I wonder what sugar would cost if everyone had to buy 10 pounds per month.?

It is also appalling to think that S. 1265 will mandate that a husband and wife with a family of children will each have to have a policy and at least one of the two must carry family coverage while the other may be covered as an individual.

This bill, if passed, will result in widespread hardship for those very people it proposes to help.

Charles O. Hon III
ALTA President-Elect
President & Treasurer, The Title Guaranty & Trust Co. of Chattanooga
Chattanooga, Tennessee

HEALTH BENEFITS
continued on page 43

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TIAC Begins Operations

ALTA President Marvin Bowling, second from right, extends congratulations to Association Errors and Omissions Committee Chairman Earl Harper, at his immediate right. Also shown, from left: ALTA Director of Research Rich McCarthy, Immediate Past President John Cathey, and Executive Vice President Mike Goodin—who are TIAC interim vice president and treasurer, president, and vice president and secretary, respectively.

Last month, operations began for the Title Industry Assurance Company (TIAC), a Vermont-incorporated risk retention group. The company provides errors and omissions coverage for abstracter and title insurance agent Active members, and for Associate members of the ALTA.

TIAC's commencement was subject to appropriate clearances from the Vermont department of banking and insurance. Capitalization in excess of $650,000 has been attained for TIAC, and reinsurance agreements have been reached with leading reinsurers.

According to ALTA President Marvin C. Bowling, Jr., it took two years of hard work, and an expenditure of more than $400,000 by ALTA to bring TIAC to its fruition. "Our objective in bringing the new company on stream is to provide ALTA members with long-range stability in a historically volatile E&O market," said Bowling, also executive vice president–law and corporate affairs for Lawyers Title Insurance Corporation, Richmond, VA.

TIAC coverages include a full range of policy limits and deductibles—from $100,000 per occurrence/$200,000 per year to $1 million/$2 million. Deductible options range from $2,500 to $50,000.

ALTA members are required to own stock in the risk retention group in order to be eligible to apply for E&O coverage. The present price of stock is $1,000 per share. The first share of TIAC stock was issued to Michael P. Reisetter, president, Brookings County Abstract Company, Brookings, South Dakota, and current secretary, South Dakota Land Title Association.

Consulting and actuarial services for TIAC are provided by The Wyatt Company, Chicago. Potomac Insurance Managers, Inc., Washington, D.C., serves as underwriting management for the group. Administrative management services are provided by Hanna Insurance of Vermont, Ltd., investment services from Chicago Title and Trust Company, banking services from Vermont National Bank, and accounting services from Johnson and Lambert, Burlington, VT.

F. Earl Harper, president, Southern Abstract Company, Bartlesville, Okla., served as chairman of the ALTA Errors and Omissions Committee during TIAC's inception. Members of the E&O committee are: Hughes Butterworth, Jr., president, Lawyers Title of El Paso, Inc., El Paso, TX; John R. Cathey, president of The Bryan County Abstract Company and Carter County Title Company, Durant and Ardmore, OK, respectively; Harrison H. Jones, Commonwealth Land Title Insurance Company, Louisville, KY; Sam Ferguson Musser, president, Conestoga Title Insurance Company, Lancaster, PA; Kurt G. Pahl, senior vice president, Ticor Title Insurance Company, Los Angeles; and David Schallhammer, as-

TIAC *continued on page 33*

F. Earl Harper is president of the Southern Abstract Company of Bartlesville, Oklahoma. He is chairman of the American Land Title Association's Errors and Omissions Committee, and has served in this position for many years. The TIAC Interim Director is also a former member of the ALTA Board of Governors, the Abstracter-Agent Section Executive Committee, and the Association's Grievance Committee. He is past president and treasurer of the Oklahoma Land Title Association. Harper is married with two children. His son, Owen, is current secretary and partner of Southern Abstract Company.

Mel Bois: The Manager Of The Market's Chessboard

By Adina Conn

"I don't think too many people are born instant managers—it's not a God-given talent. People who develop as managers are usually pretty good communicators who have an interesting combination of hands-on theory combined with, 'let 'em go fail by themselves' theory."

"The chess board is the world, the pieces are the phenomena of the universe, the rules of the game are what we call the laws of Nature. The player on the other side is hidden from us . . . We know, to our cost, that he never overlooks a mistake, or makes the smallest allowance for ignorance."

"Managing the Manager's Chessboard." An appropriate title for a discussion led by a certain individual who understands the intricacies of the chessboard and has been able to apply them to the most fundamental of office environments. His name is Mel Bois. His title: president, Universal Title Insurance Company, Edina, Minnesota.

A respected leader and experienced manager, Bois is characterized by friends and colleagues in the title industry as a uniquely informative and commanding speaker. Many of the smaller title operations benefit tremendously from Bois' approach in advising individuals how to best manage their respective companies.

Maybe it's his unassuming nature, or, his good listening skills. Or, perhaps, it's his unique way of focusing on a given issue. Whatever it is, there is something about Bois which captures the attention of an audience, and continues to draw people to hear him.

The proof was in the pudding at the Sunday, March 13, closing ALTA Mid-Year Convention workshop, where amidst the hubbub of people scrambling from the La Paloma to catch their respective flights, Bois served as moderator for a crowd that attracted several hundred.

Before the workshop, Bois met for a breakfast interview. The following are some very sound thoughts and advice he offered to managers in today's market:

Your philosophy likens management in unpredictable economic times to a game of chess. As a management chess player, do you find that the long-range development of predetermined strategies is most critical or, do you think given the volatile nature of the economy, it's the ability to improvise on short notice that's most important?

I think you have to prepare yourself to manage as variables, things that are basically constants. That is, you're always going to employ people—you're always going to have other types of expenses and exposures that are constants. You have to manage yourself **and** your business to deal with those constants so your risk is minimized amid the volatility of the marketplace.

How did this theory of management evolve?

I've been doing this for 20 years, and have been exposed to and worked with many different managers. Most of my time has probably been spent either buying businesses or start-up operations. Through start-ups, you often deal with young managers. You're forced to clearly articulate what you want them to do in a fashion they can understand.

Do they become the pawns of the game?

(Laughs). No! They become a manager of their own board—their own environment. If he or she waits for the detailed instructions from the corporate office on how to manage the business, we're in trouble.

What do you find are the differences in young managers today—compared to when you first started 20 years ago? Are there critical mistakes being made today—or fundamental ones all around the board?

I don't think the mistakes are different. The managers today, at least from my perspective in the underwriting side, are probably not as technically prepared as people were 10 years ago. They're probably not quite as knowledgeable about our business in general, but they're better students. That makes a big difference, because they deal with a business that is much different from what it was 10 years ago.

How did you get into the title industry?

I'm a licensed surveyor. I was going to night school, finishing up, and was looking for an office job and ended up working for the old Michigan Title Company. That was in 1967. I had no idea I'd be in the business for 20 months—much less 20 years!

What do you think are the most critical mistakes management is making today in the industry?

On the expense side, we burden ourselves with high expenses to deal with an unreliable market. From the marketing side, we just give our product away. We've allowed our customers to become competitors.

What organizational approach do you recommend for better management of variable expenses?

We try to keep all of our operating expenses that are normally thought of as fixed, on a very short-term basis. For instance, you have an escape clause in your lease that allows you to get out of your contract at the end of 12 months instead of 36 months. And, you make sure all of your other equipment and costs are short-term in nature. You can drop that expense load—if necessary. We use different forms of staffing to cut down our exposure. We employ a lot of contract help. Quite simply, if you have an order in hand, you can't afford to spend anything. We're caught between those two extremes. In the spring, you have more business than anyone can handle. In the fall, we're all dying. So keep as much flexibility in your expense load as possible.

When senior management develops an operational approach for a fluctuating market, its success often times depends on how it's carried out when it filters down through the company. What suggestions do you have for instilling these techniques to ascertain that it becomes properly instilled?

I've always believed that the manager must be given as much responsibility and authority as possible, in order for the decision-making to be his. You have to get him to formulate good decision-making when the economy is expanding—not to wait until you're in trouble. This we do by having good controls on how we spend our money and who we hire. Those are our two biggest areas that the manager has control over. We try to get our manager to have a good long-term game plan that we understand. If we know where he would like to be in two years, we usually can get him to do it in a fashion where we feel comfortable. Problems occur when we don't understand what he is trying to accomplish.

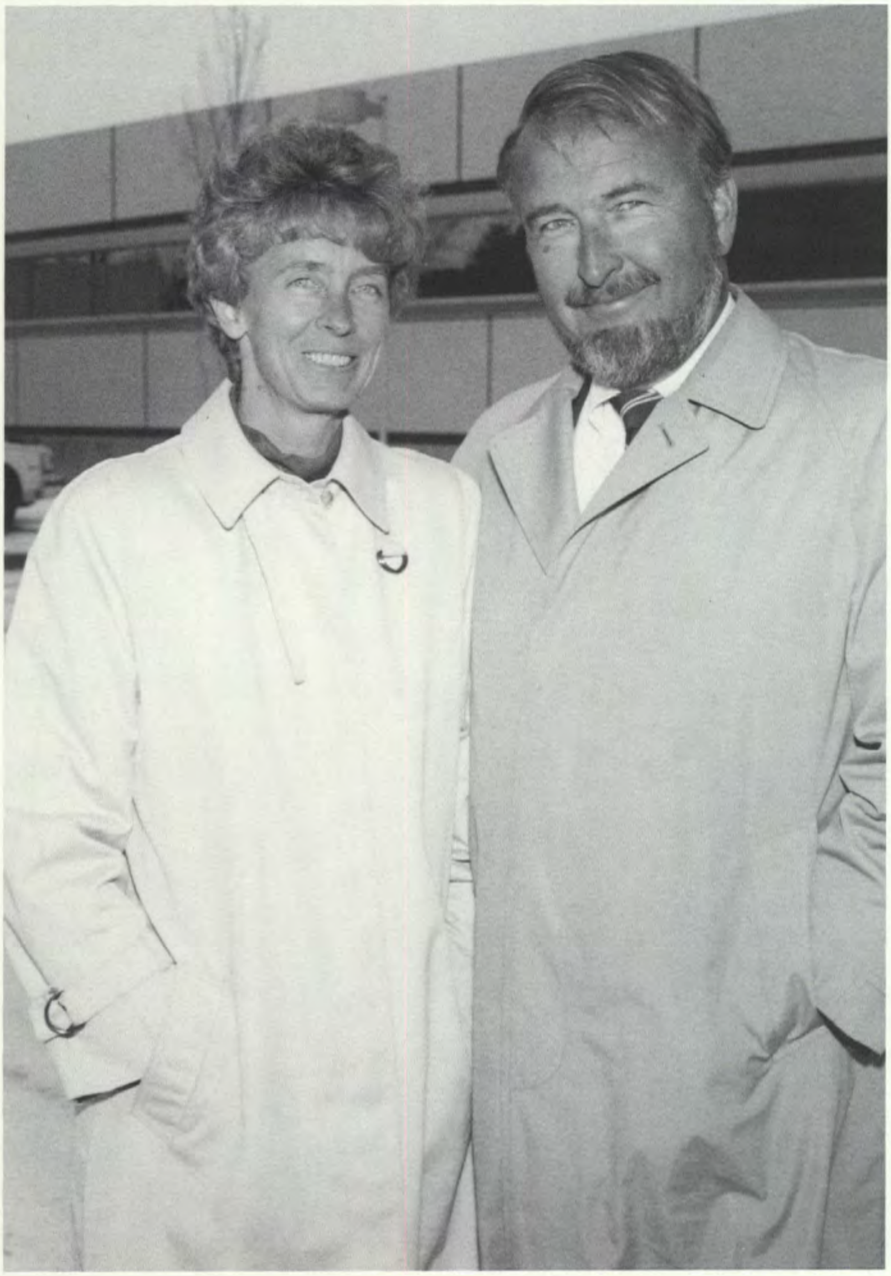
Where do you feel the greatest gap lies—between senior management and mid-management on down?

The manager at the branch level, whether he's an owner-operator or running a branch operation for an underwriter, is being forced to respond to market conditions today. A lot of his decision-making made under pressure and stress, comes with trying to deal with these circumstances. Upper management is trying to take a longer-term approach. Somebody

BOIS *continued on page 37*

Multi-User Systems Pay—IF . . .

By Edward H. Marsilje



As the era of user-friendly computers expands, as the cost of hardware decreases, and as more office environments become acquainted with the benefits of mechanized data processing, the typical title/escrow operation should consider the benefits of a multi-user system. A multi-user system (i.e., the ability for multiple terminals to access a common processor and data base) is the natural extension of a stand alone, single-user installation.

Even though a "networking system" (i.e., the ability of a user to access multiple processors and multiple data bases) can achieve the same purpose, the mechanics of accomplishing this are much more complex.

This article will present the advantages and disadvantages of a multi-user system and hopefully assist management of various size title operations in making informed decisions.

As we developed our installation at The Title Office, Inc.—its current capability allows for in excess of 110 peripheral devices (terminals and printers) to communicate through a 17-office dedicated data communication network—the sharing of information was the ultimate goal. With the centralization of this information and/or the ability for 17 offices to access information, internal security takes on the same level of importance as external security. The goal of security is to both be user friendly (allowing ease of access to the appropriate individuals) and prevent unauthorized individuals from accessing privileged information. These problems are not insurmountable, but they require acknowledgement and determination to solve them.

The numerous advantages must outweigh many disadvantages for a title operation to incur the substantial cost and disruptive factors caused by the installation. In our operation, the system mandated standardization throughout the organization; with positive feedback from various employees, we believe we were able to incorporate the best ideas from each office. We were able to customize our installation due to our in-house data processing personnel. The inability to obtain acceptable packages from third party suppliers at the time of system design prevented us from considering this alternative.

The benefits of mechanization are apparent to anyone who installs a simple word processing system. With a minimal investment, a trained operator can improve productivity to justify the initial outlay. Once operational, additional systems probably will be requested. The questions then arise:

"Do we make the substantial additional investment to tie the complete system together? Will the financial rewards be adequate to offset the problems?"

Analyze Inherent Problems First

To properly evaluate a multi-user system, the inherent problems must first be recognized; then, secondly, analyzed in detail; and, thirdly, ultimately resolved so that the organization has the answers prior to the commitment of its downside exposure. With centralization, the organization becomes completely dependent upon the system. Satellite offices rely upon this communication link, and employees are linked to their workstations. Just as an organization may function temporarily without the use of a typewriter, it should be able to function with a workstation inoperable. But, how long will an office survive if it cannot communicate with the main processor? And, what happens if the whole system is brought to its knees because of hardware problems?

Within our organization, we budget for a 99 percent uptime on hardware, which simple math tells us is an allowable down time of half a day every two months. This is the total organization sitting around doing NOTHING, since we are completely dependent upon the central processor.

With a centralized system, standard procedures are mandatory. These may improve staff productivity but can restrict creativity if not handled properly. The ability of management to make decisions based upon timely facts can justify the restriction of these procedures. A centralized system can minimize redundant information and improve accuracy. However, a simple mistake/error can and will negatively affect the total operation. Installations should have built-in error testing routines, which may minimize errors but cannot completely eliminate mistakes.

With centralization, employees become specialists instead of generalists, creating potential personnel problems. If the system is designed properly, a possible higher employee turnover rate can be managed. But, concentrated effort on the part of management must be made to transfer and/or promote qualified individuals throughout the various specialty positions so they will become the managers of tomorrow. These individuals must learn the basics of the business, which can only be obtained through a variety of experiences.

Perhaps the greatest problems that must be extensively analyzed are the up-front investment and the related cost recovery effect upon profits. By changing to a multi-user system, the intent is to make the staff more efficient. But, by doing this through mechanization, you are converting a variable cost (labor) into an up-front investment and yearly fixed cost (interest and depreciation). Because of developments in the electronics industry, the hardware has an extremely short life due to obsolescence. The average age of equipment in our installation is less than two years; for us to stay on the leading edge of technology, it most likely will remain that way.

Data Processing Manager Karen Goorhouse and the author review one of the daily reports generated by the computer system at Title Office, Inc. On the preceding page, author Marsilje is shown at company headquarters with wife Diana, vice president of the concern.

Exaggerated Cyclical Effects

As any who have been in the title business for an extended period of time (I only date back to the early 70s) recognize, our industry is cyclical and our inability to even out our work load is an operational fact of life. Once an organization is committed to a centralized system and incurs the up-front cost, the ability of management to downsize during lean times becomes restrictive; and the results of these cycles upon profit and loss will be exaggerated.

The supporting costs of maintaining a system cannot be ignored. Maintenance contracts are entered into to institute preventive maintenance so that downtime is minimized. Catastrophe plans are reviewed periodically so that when (not if) hardware failures develop, the harmful effect can be minimized. As an organization grows completely dependent upon the centralized processing of information, a painful decision may be made to staff experts in-house —to minimize the catastrophic exposure of hardware/software downtime.

We are all cognizant of the 80/20 rule, which appears to be universal, be it in a

MARSILJE *continued on page 44*

The author is chairman of the ALTA Land Title Systems Committee and is president of Title Office, Inc., a title insurance agency headquartered in Holland, MI. He received his MBA degree from the University of Michigan, and is a CPA who formerly was with Arthur Andersen & Co. After beginning operations with six employees in 1973, the company was automated two years later and currently has title plant records for 14 counties accessible to its 17 locations. Title Office provides a full range of services, including search, examination, closing and policy preparation—and also has automated its administrative functions.

The Unequivocal Quinn

By Adina Conn

She describes herself as someone who works too hard and loves it—someone who has had the good fortune of succeeding in the profession she always wanted to be in.

When she was 14, she yearned to be a journalist. She awoke one morning, fiercely determined to enter this "noble" profession. When in college, she was asked to fill in "occupation" on her passport, she wrote, "journalist," instead of student.

In view of the above, it is not surprising that Jane Bryant Quinn has emerged as one of the nation's most respected financial journalists. Quinn is an award-winning columnist for **Newsweek**, as well as syndicated columnist for **The Washington Post**, and **Woman's Day** magazine. She also hosts, **Take Charge!**, a PBS series on money management. And, she's very touchy about being called an economist, remarking, "I am a financial reporter or a financial journalist. But **not** an economist!"

Quinn, every inch a Renaissance woman, is an avid reader, social activist, and gardener. She also shares a passion for pre-Colombian art—Mayan in particular. "Once I was called to fill-in for an archaeologist who couldn't go on a cruise. So I went around and lectured to people on the boat about the Mayans, and had a **wonderful** time!"

Quinn has a great deal to say about issues affecting people today. Concerned about social indignities and inequities, she can make the gutsiest, hardcore, right-to-the-point statement in the most charming, refined, and feminine manner. And, although she might take offense at being labeled a role model—one just can't help but be enchanted with her. The following is what she had to say:

> *"When I finished school, I had no idea discrimination against women existed. When you're a kid in college and you get an 'A,' no one says, 'Is this a boy or a girl?' You grow up with the feeling that you'll be rewarded according to your abilities."*

Gramm-Rudman says we must make across the board cuts in all areas. In lieu of the vast problems we have today: the homeless, insuring the health of our people, etc., what do you feel are society's responsibilities to its citizens—what do we as a nation owe our people?

Clearly, we owe our people a better job than we've been doing. You go to major cities and see homeless lying all over the sidewalks—the likes of which you never saw 15 years ago. I have no program that says, "Here's an instant answer to those problems," because a strong part of it is drug-related.

I think we've spent too much money for too long on the armament side. The entire world has been arming itself to a degree unprecedented since World War II. Over the past 10 years, most of the increase in the gross national product of the world has been used for the purchase of arms. By doing this, every country has been depriving its citizens of what they should have in terms of proper food, medical care, education, and all of those things that are so essential to a civilized society.

The attitude in this country is such that we say, "Well, we have to spend more money because the Russians are." But the Russians have to spend more money because we are, and we're all spending more money because we're choosing sides between Iran and Iraq, and we're **all** profiting by selling rifles and planes to the Latin American dictators. The result is world deprivation. Example: the famines in Africa. These are man-created matters. This world has enough food to feed itself. It is misgovernment, and a desire to take the money and use it for military purposes that has made the world suffer.

The question becomes, "What will turn this cycle?" Unfortunately, I think the answer to this is a serious recession. Then we will see a return of compassion amongst people. Compassion is an attitude that develops in time of want, when we realize how connected we are to one another.

Do you think a sleaze factor exists in this country—as reflected in television evangelism with the Bakker and Swaggart affairs, in Wall Street with the Boesky affair, in government with the Deaver scandal, etc.?

Oh sure. There's a great sleaze factor. You can hardly get away from it these days. You have this unbridled pursuit of wealth without any sense of ethics being connected to it. Everyone feels incredibly powerful. They feel above the law—that it's a

jungle out there and they're the lions. These people that have money and independence, feel no responsibility for other people.

In light of the various scandals on Wall Street, do you feel there should be greater emphasis placed on ethics courses in business schools?

Certainly ethics should be taught—but not only then. Why? If you haven't had ethics by the time you hit your MBA degree, you can't be influenced. The question of ethics and the question of our social responsibilities to one another, and, our interconnectedness in the sense that we are our brother's keeper, has to start a lot earlier than the Harvard MBA. I think questions of ethics should start showing up at the junior high school level.

When I grew up, we took ethics in high school and in college, right along with Latin. Now all of that is gone. People don't know what ethics is! You're supposed to take someone who's 26—a Harvard MBA and teach him about ethics? (Laughs). I do think ethics should be taught—classical, Greco-Roman old-fashioned ethics courses. I will, however, say this—if someone isn't honest, you can teach him all the best ethics courses, and he'll continue to lie, cheat, and steal.

But what does this say about our society? This seems to have become such a sexy topic today—we see it in the media, in film, why is it so appealing and so alluring?

It says we want to make money. Americans have always wanted to make money. That's why people came here—the land of opportunity where people could make it on their own. Religious freedom yes, but financial freedom—the freedom to start again, to do the best you can with the qualities you have. This is very American. There's nothing wrong with wanting to make money—it's wanting to step on the face of your grandmother in order to obtain it, that's wrong. And how you teach people that distinction if they haven't learned it at their mother's knee, I simply don't know.

There should be a way of recognizing the heroes in other occupations—those in the classrooms educating our young, those fighting AIDS. We need heroes for more than Wall Street. There are some very good people on Wall Street, but unfortunately, Wall Street is depicted only as a temple of wealth. It is not covered as a source of any other good in this society, and it can indeed be a source of good. I'd also like to see emphasis on the other occupations in this country that don't pay as well, but continue to keep alive the spirit of social service, which ultimately, is the only thing that binds us together, that makes us a polity.

What financial advice would you offer to a young person today?

With respect to younger women, you get a kind of Cinderella Syndrome that says, "I'm going to make my money, spend it, and live from day to day. I'm not going to think about disability insurance or buying a house or an IRA because someday I'll get married and my husband will take care of these things."

Men have the same thing. I call it the Peter Pan Syndrome, "I'm going to acquire my toys—my cars, my VCRs, etc., and I'm just going to play around and swashbuckle with my friends. I'm not going to get serious about real issues until I get married."

> *"We need heroes for more than Wall Street. Unfortunately, Wall Street is depicted only as a temple of wealth—it is not covered as a source of any other good in this society."*

This thinking is dumb, because maybe you won't get married, or maybe you'll marry someone financially irresponsible, or someone who can't take care of you. Then you'll have to take care of yourself. You'll look back in your 30s and say, "You know, I wasted 10 years. I could have been getting myself together." That's a problem with the younger generation—they've got to grow up. A grown-up is someone who has a disability insurance policy!

We have a severe problem today with young people right out of college, receiving and using unsolicited credit cards. Are we breeding a nation of debtors?

Of course. And the reason is that the standard of living is declining in this country. This is something we refuse to accept.

QUINN *continued on page 38*

How The West Was Won In Tucson

1988 Mid-Year Convention
Photographs by Ken Abbinante and Adina Conn

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1. ALTA President Marvin Bowling and ALTA Education Committee Chairman Cara Detring, extend a "hats off" welcome to ALTA members at the Western Theme Party.

2. The ALTA Staff; their alter-egos and mistaken identities. Top left: "Tempestuous Tessie" Carpenter; "The Outlaw Josie" Maher; "Shady Sadie" Minor; "The Bodacious Barmaid, Kitty" Conn; "Mexican Muchacho" McCarthy; "Saucy Suzy" Sorchilla; "General" Goodin; "Snake Oil" Garrity. Sitting from left: "School Marm" Berman; "Deputy Dawg" McLaughlin; "Scarlett O'Hara" Antilety; and "Sophie Suffragette" Keeney.

3. ALTA members find a new calling in life, as they Can-Can the night away.

4. Cowboys and cowgirls (from left): Errors and Omissions Committee Chairman Earl Harper and wife, Vera; and ALTA Immediate Past President John Cathey and wife, Wynona, find themselves thoroughly at home on the range.

5. Ann Bowling rounds up Jim Boren to smile for the camera.

6. Abstracter-Agent Section Executive Committee and Land Title Systems Committee member John Haviland (left) and Systems Committee member Scott Stoval, pause for a bite between "vittles."


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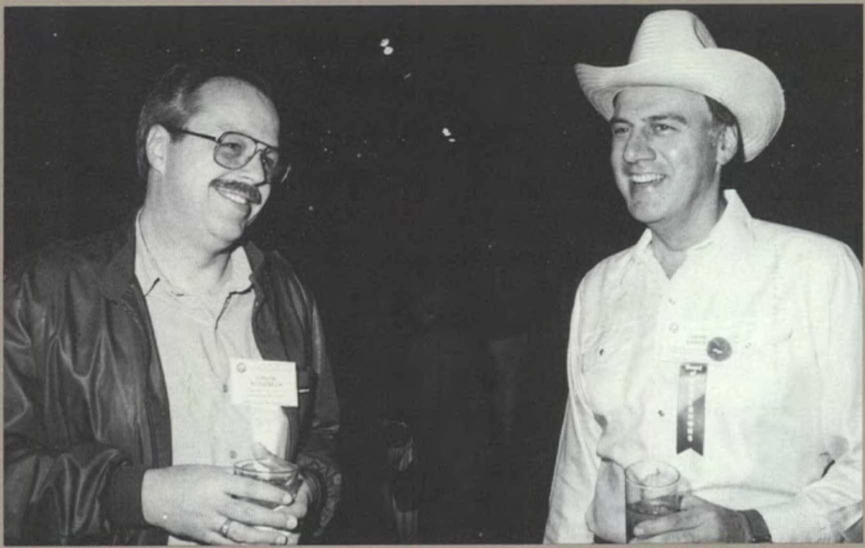

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1. President of the Wisconsin Land Title Association Chuck Schiereck (left) and ALTA Governor Herb Wender engage in some ''down-home'' conversation.

2. ALTA Governor Thomas Griffin (left) and Executive Vice President, California Land Title Association, Larry Green, discuss the ''perils of the Old West.''

3. Wynona Cathey (from left), Lloyd Draper, and Patsy Cravens, experience an attack of the ''Commonwealth Critters.''

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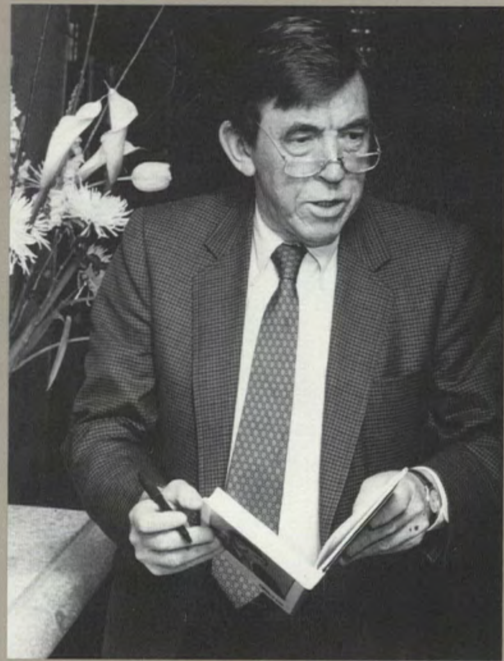

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1. Dan Wenter (left), Paul Kennedy (far right), and other ALTA members are a captive audience to General Session speakers, Douglas Kiker and Jane Bryant Quinn.

2. NBC correspondent Kiker takes time to autograph his book before his address to the General Session.

3. Newsweek columnist Jane Bryant Quinn (left), ALTA Executive Vice President Mike Goodin, and wife Joanne share a smile before the General Session.

4. Dale Astle (left), recipient of the Early Bird drawing prize, is congratulated by Marvin Bowling, at the start of the General Session.

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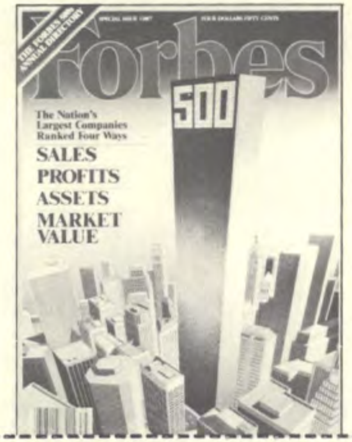

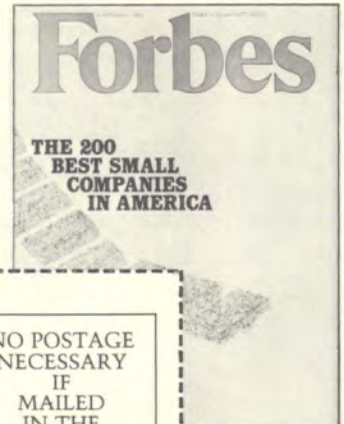

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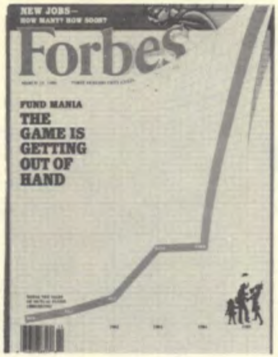

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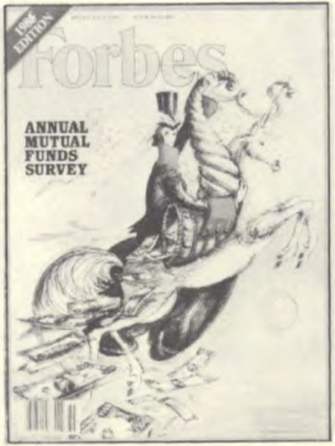

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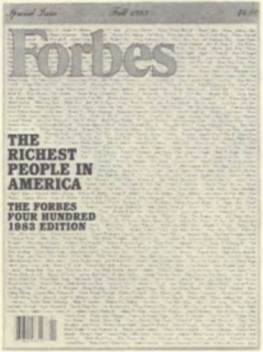

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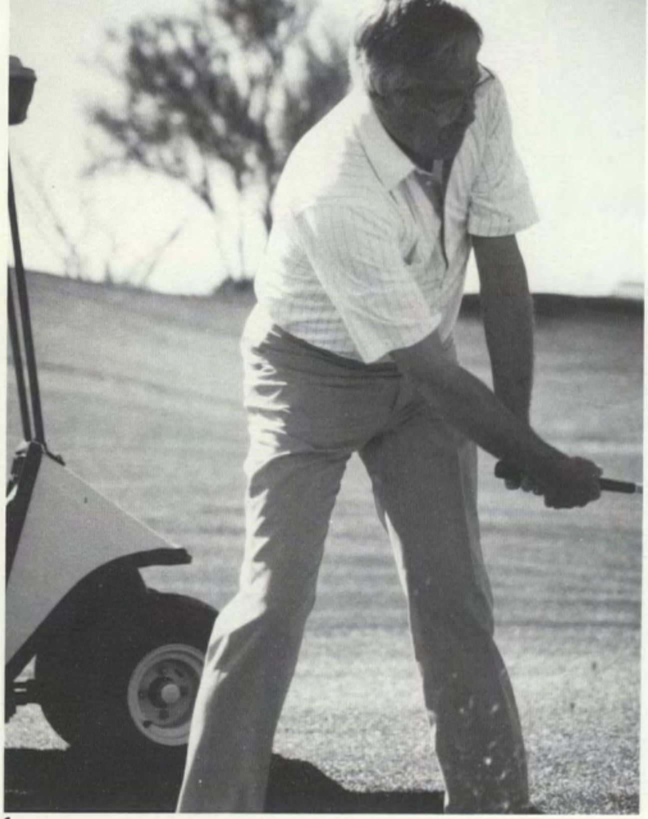

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1. John Cathey kicks up the dirt as he tees off for a hole-in-one at the ALTA Golf Tournament.

2. ALTA Director of Government Relations, Robin Keeney, anxiously awaits a tough serve by her opponent.

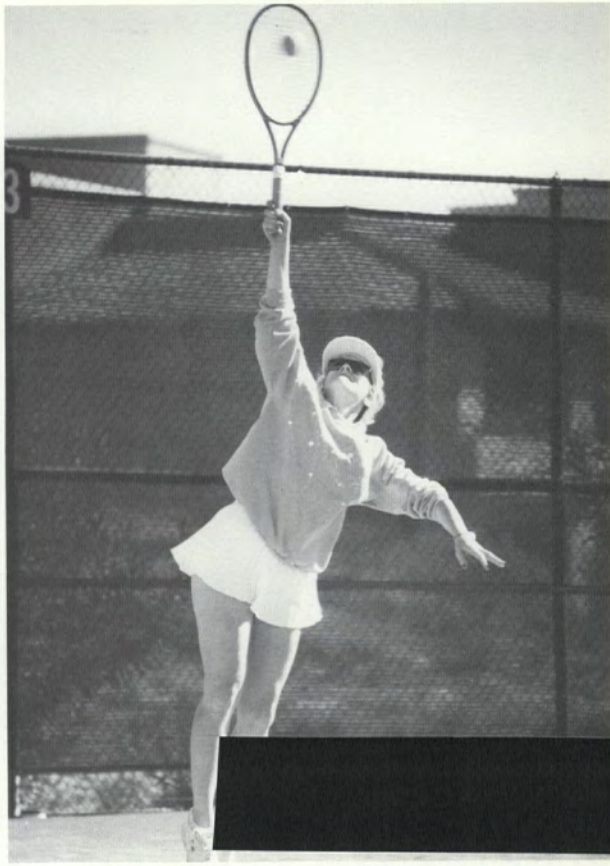
3. ALTA members keep a watchful eye to the fairway for their competition.

4. Player in action proving "poetry in motion!"

5. The winners of the ALTA La Paloma Golf Tournament (from left): Kender Carroll, Jack Derloshon, and Lamar Drummonds.

6. Bill Was, fourth member of the winning golf team, is the proud recipient of the coveted trophy.

7. The winners of the ALTA La Paloma Tennis Tournament led by overall champion Joyce Valdez (center).



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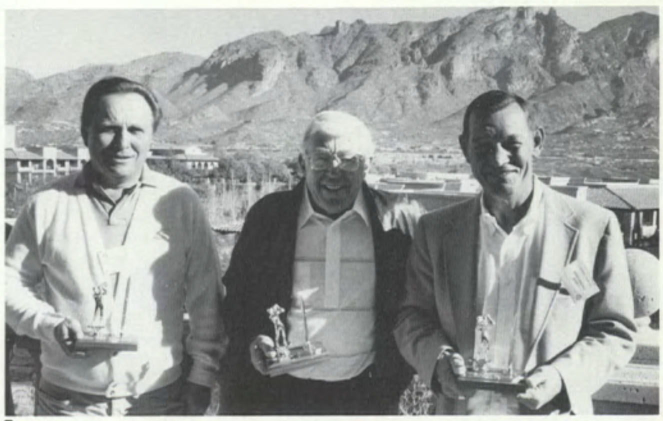

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1. ALTA members ready to embark on the journey of their life—a tour through the Arizona desert.

2. Faith and Harold Schwartz (foreground) are accompanied by fellow ALTA members for a blustery ride through the Sabino Canyon.

3. Linnie Currier (center) shows members desertlife at a glance at the Sonora Desert Museum.

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1. Ann Hon (right) and daughter Emily take time for a pose at a craft shop in Tucson's Old Town.

2. Mary Draper marvels at the handiwork of local Tucson artists.

3. Betty Sagatelian admires one of the many paintings found in the Tucson Museum of Art.

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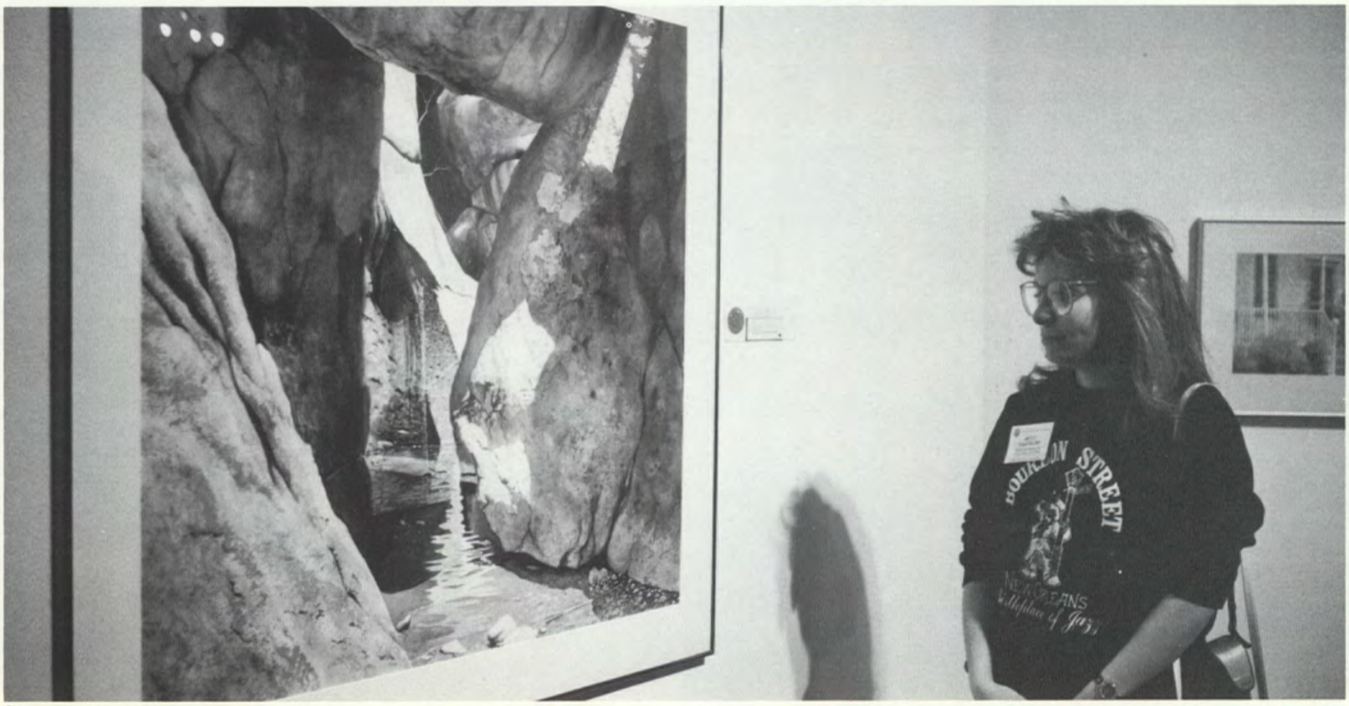

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1. Government Affairs Committee Chairman, Jim Garst, persuses his report before his address to the committee.

2. ALTA Governor Joe Gottwald thoroughly amused at the Abstracter-Agents Executive Committee Meeting.

3. ALTA Governor Parker Kennedy, enjoys the meeting of the Board of Governors.

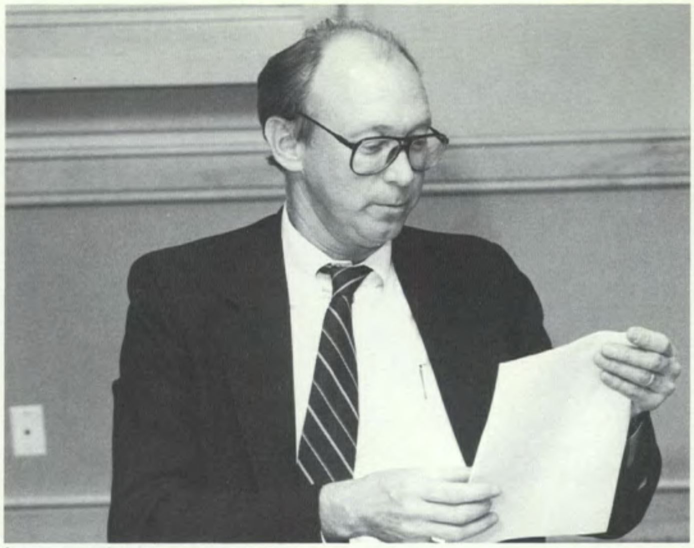
4. South Dakota Land Title Association Secretary Mike Reisetter and Nebraska Land Title Association President Patty Beckner, find a lighter moment during the Affiliated Association Officers Seminar.

5. Mike Currier makes a new friend at the President's reception.

6. Abstracter and Title Insurance Agents Section Chairman Bill Thurman (left) shares a chuckle with ALTA President-Elect Charlie Hon.

7. Title Insurance Underwriters Section Chairman, Dick Toft (right), and wife Marietta relax at the reception.

8. Laura Haines and Charlie Weber intent on tripping the light fandango.



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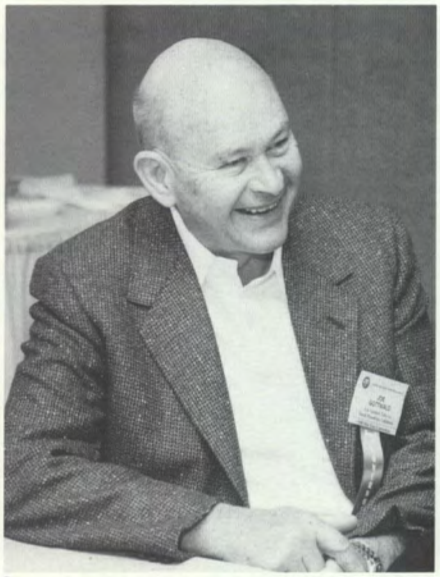

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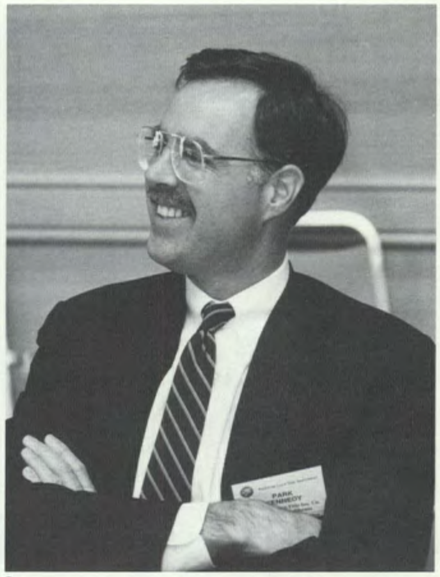

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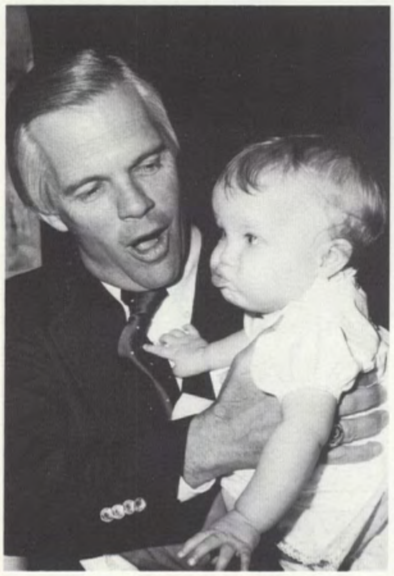

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1. Mike Goodin (center) proudly flanked by the 1988 ALTA Honorary member designees: Philip McCulloch (left), and Mac McConville. The two past presidents will be honored at the ALTA Annual Convention in Toronto, October 16-19, 1988.

2. Lawyers Title Arizona representatives, John McIntyre (left) and Thomas DeFouw (right), present Ann Bowling with her very own Kachina doll.

3. Marvin Bowling listens intently to the discussion at one of the many committee meetings.

4. Connie Weimer and Charlie Hon illuminate the room with their radiant smiles.

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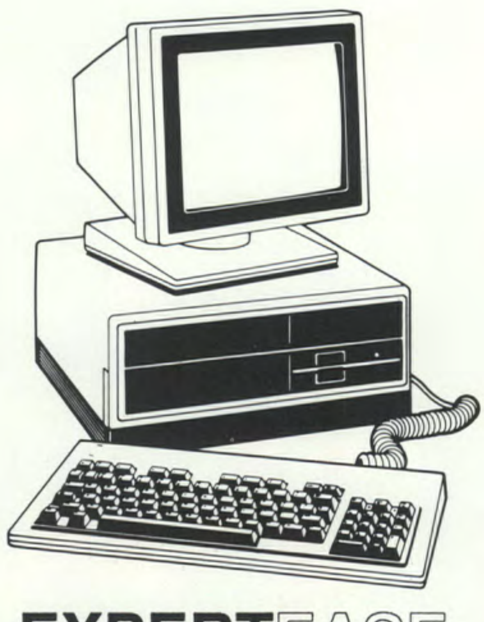

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NAMES IN THE NEWS


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Ippel


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Jones

William T. Seitz was elected to the position of president and chief operating officer of Ticor Title Insurance Company of California and its subsidiary, Ticor Title Insurance Company. At a joint meeting of the Boards, the appointment was announced by Winston V. Morrow, chairman and chief executive of the title companies.

Gerald L. Ippel, formerly president of the Ticor Title companies, was elected vice chairman. A 24 year veteran of the title business, Ippel will undertake special projects for the companies. In the past, Ippel served as ALTA president for the 1985-86 term.

The Denver Law Firm of Silver and Hayes, a professional corporation, announced the addition of **Robert T. Haines** as office counsel. Haines recently retired as senior vice president and general counsel of Chicago Title and Trust Company. Haines is a current member of the American College of Real Estate Lawyers and the American Land Title Association. He is also a former member of the ALTA Forms Committee.

Silver and Hayes also announce the appointments of **Esther A. Crawford**, **David P. Sanders**, and **Kevin M. Dufficy** as associates to the firm. In addition, **Jo. L. Fleming** has been named firm administrator.

Lawyers Title Insurance Company announces the election of **Janice D. Walton** as assistant vice-present—reinsurance, in the company's risk management and pricing department, national headquarters, Richmond. Lawyers Title has also


Duran


McCall


Tarbell


Steinke


Fleishman


Winchester

elected **G. William Evans** to the office of vice-president and controller. He is assigned to the Richmond Office. **Walter C. "Buck" Jones II** has been elected vice-president and Maryland state manager. Jones is assigned to the company's Maryland state office in Rockville.

The following appointments have been announced by Lawyer's Title: **Walter S. Duran**, vice-president—New Mexico state manager, Albuquerque; **J. Scott McCall**, senior claims attorney, national headquarters, Richmond; **Nancy A. Tarbell**, senior regulatory attorney, Richmond; **Marvin R. Steinke**, appointed multistate regional counsel. He is also a major transactions counsel for the company, assigned to its Illinois state office in Chicago; **Suzanne Q. Davis**, assistant Southwestern states counsel, assigned to the company's Southwestern states office, Dallas; **Laurie A. Fleishman**, assistant regional counsel, assigned to the Illinois state office, Chicago; **Gregory O. Drummond**, assistant state counsel, New Jersey. He is assigned to the New Jersey state office, Summitt; **Teresa J. Winchester**, assistant counsel and assistant secretary of the company; she is also regional counsel-northern California for Lawyer's Title subsidiary, Continental Land Title Company. Winchester is assigned to Continental's branch office in San Francisco. **Stephen J. Goodin** has been appointed assistant counsel and assistant secretary, Lawyer's Title Pacific states office, Universal City, CA. He also


Goodin


Elken


Kozsdiy


Flynn


Pull


Davis

serves as associate counsel and assistant secretary of Continental Land Title Company and Land Title Insurance Company. **Cassandra S. Elken** has been named assistant counsel and assistant secretary of the company, Pacific states office, Universal City. She is also assistant counsel of Continental Land Title Company and Land Title Insurance Company; **Robert S. Sunleaf**, appointed senior title attorney, and manager, Schaumburg, IL. **Bruce N. Eberlin** has been named assistant branch counsel, Chicago; **Vincent Kozsdiy**, assistant branch counsel, Belleville, IL; **Walter D. Quillico**, claims attorney, Michigan state office, Troy; **Thomas M. Flynn**, manager, Boston branch; **Jack C. Davis**, branch manager, Chicago; **Mary D. Pull**, branch manager, Decatur, GA; **Katherine K. Coffman**, branch manager, Valparaiso, IN; **Sue E. Walters**, branch manager, Savannah. **Stephen M. Conder** has been named branch manager at DataTrace, a wholly owned subsidiary of Lawyers Title, Richmond.

American Realty Title Assurance Company has announced the promotion of **Tammy Besece** to assistant director of the Commercial Department, Gahanna, OH.

The American Home Marketing is pleased to announce the appointment of **Ronald L. Candow** to the position of sales manager, Columbus.

First American Title Insurance Company has promoted **J. Carmichael Calder** to the position of vice president of the company, San Francisco. The


Calder


Hines


Thiss


Conder


Geller


Behrend

announcement was made by President and Chief Executive Officer D.P. Kennedy. Kennedy also announced the appointments of **William L. Thiss**, vice president—automated systems on corporate staff, Santa Ana; and, **Dick Hines**, assistant vice-president—national accounts title officer on corporate staff of First American Title Insurance Company, Santa Ana.

Industrial Valley Insurance Company is pleased to announce **Edward W. Geller** has joined IVT as vice president and Philadelphia region manager. His responsibilities include supervision of the operations and sales efforts in the five branch offices located in Philadelphia. IVT has also appointed **John C. Behrend**, vice president. He will be responsible for acquisitions and business development in the banking sector on behalf of all members of the IVT Group: Industrial Valley Title, Continental Title, District-Realty, Mortgage IVT and Conveyancing Services, Inc.

Lisa S. Dichter has been named vice president of computer systems for Conestoga Title Insurance Company, Lancaster, PA. Dichter will also oversee automated operations for Lancaster Title Abstracting Company, Information Journals, Inc., and other affiliated companies of the Conestoga Financial Corporation.

Commonwealth Land Title Insurance Company has named **Gene S. Pech** as assistant vice president and Illinois state manager.

Attorneys' Title Insurance Fund, Inc., announces the following appointments: **Ross E. Payne**, legal services division, Orlando; **Bonnie Jones Brooks**, marketing representative to the Broward County area, FL; **Deborah Willson**, marketing representative for the following Florida counties: Lee, Charlotte, Manatee, Sarasota, DeSota, and Glades.


Dichter


Pech


Payne

TIAC

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sistant vice president, Chicago Title Insurance Company, Chicago.

Cathey is currently serving as TIAC interim president. Other interim officers include: ALTA Executive Vice President Michael B. Goodin, TIAC vice president and secretary; and, ALTA Director of Research Richard W. McCarthy, vice president and treasurer of the group. Cathey is also ALTA immediate past president. Both Goodin and McCarthy are based in the Association's Washington, D.C., office.

Questions regarding TIAC may be directed either to Michael Goodin or Richard McCarthy at Suite 705, 1828 L Street, N.W., Washington, DC 20036 (telephone 202-296-3671).

SAFECO Now Security Union

SAFECO Title Insurance Co. becomes Security Union Title Insurance Co. commencing May 1, according to an announcement by the company's corporate parent, Chicago Title and Trust Co.

SAFECO Title was purchased from SAFECO Corporation by Chicago Title and Trust in January 1987. Under terms of the purchase contract, Chicago Title and Trust was required to phase out its use of the SAFECO name beginning within 18 months.

Richard L. Pollay, Security Union chairman and president, remarked, "It was decided to accomplish this in one step." Added Pollay, "The company and its subsidiaries will function as a separate operating business within the Chicago Title and Trust family of companies, the largest title organization in the world."

"It's appropriate that Security Union enter the future with two great names from SAFECO Title's past. Both Security and Union are predecessor names that were prominent in the growth and development of title insurance in California," said Pollay. As Security Union, the company will carry on its tradition of innovation, continuing a strong national operation through its nine regions and subsidiary companies in Oregon, Idaho and Maryland.

Pollay said the company goes forward on a sound financial footing. Assets of Security Union rose 8 percent to $124 million in 1987. As part of the company's conservative management philosophy, last year, a substantial additional portion of these assets was converted to cash and marketable securities.

Since the acquisition, cash and marketable securities have increased 54 percent, from $34.7 million to $53.6 million. Today, the company's statutory premium reserves and reserves for known losses are totally backed by liquid assets. Surplus to policyholders increased to $62.9 million.

Pollay said the company's network of national agents will continue to benefit from the resources and support of Security Union as well as the company's present organization and its affiliated companies.

SAFETRANS, a Security Union division providing national title services to corporate relocation customers, will retain its corporate identity and will continue to serve national customers and third-party relocation firms through Security Union's agent and office network.

Title Company Offers Reward For Forgers

Millions of dollars are being lost annually nationwide due to the proliferation of forged title insurance documents, according to World Title Company (WTC), one of California's largest independently owned and underwritten title companies.

"The frequency of these forgeries is growing at an alarming rate in California and across the United States, costing title companies and insurers uncountable millions," says H. Collyer Church, vice president and chief underwriting counsel for WTC.

"Deed, deeds of trust and powers of attorney are the most common title documents susceptible to forgeries or other illegal doctorings," says Church. "The problem has become so massive that we, in concert with Transamerica Insurance Co., are offering a $1,000 reward to our respective employees as an added incentive to uncovering bogus documents."

"Detecting forgeries is not always easy," says Church, "but irregularities appearing in public records and in the source of the business help title officers identify potential problems."

World Title has identified the following danger signals on suspicious title documents:

On The Record

1. Uninsured deed, mortgage or deed of trust. These are usually insured today, so if one is not, the spelling of names of the parties to the document and the signatures should be examined closely.

2. Recent release of mortgage or reconveyance of deed of trust. To increase the apparent equity in the property, a forger will place on record a forged release of mortgage or reconveyance of deed of trust. A release of this type will usually occur independently of any other real estate transaction.

Off The Record

1. Drop-in customers. Business usually comes through lenders, escrows, attorneys or real estate professionals to title insurance companies. Where an escrow company gets a "drop-in" customer, a forgery may be suspected if the party is difficult to contact outside the office and gives a post office box or letter-drop type of address and a telephone number connected to an answering service.

2. Excessive demand for speed. A forger hopes to avoid sufficient investigation and keep title companies from taking time to make prudent decisions.

3. Vacant property. Verification of the identity of the seller is mandatory when the owner is not residing on the property.

"In and of themselves, these characteristics do not necessarily mean there is any illegal intention by the customer or that any wrongdoing is taking place," says Church. "But the appearance of these signals motivates us to investigate further."

Arizona Man Appointed By Vice President

Robert G. Johnson, executive director of the International Real Estate Institute with its World Headquarters located in Scottsdale, Arizona, was recently appointed by Vice President George Bush to serve on the National Finance Committee for his campaign to be President. Johnson is well known throughout the real estate industry and will bring support to the campaign from real estate professionals.

The National Finance Committee not only has the responsibility of raising contributions but handles all of the financial aspects of the Campaign. Johnson joins the likes of Shirley Temple Black, Jimmy Dean and others to this Select Committee.

The International Real Estate Institute which Johnson founded is a worldwide organization of Real Estate Professionals from 96 nations of the world. The 10,000 plus members of the group specialize in International Real Estate Transactions.

Manny Fernandez Affiliates With Ticor Title

Fernandez

The affiliation of Manuel "Manny" Fernandez, former Miami Dolphin, with Ticor Title Insurance Company was announced by Ticor Vice President Mark C. Wanich, III.

Fernandez will be responsible for developing title insurance services for high-liability commercial, industrial and corporate real estate projects in the Miami area, according to Wanich, who is Southeastern regional manager of Ticor's national title service program.

A defensive tackle for the Miami Dolphins football team from 1968 to 1977 and selected for the American Football Conference's all-conference teams in 1971 and 1972, Fernandez has been in real estate development, lending and insuring in the Miami area since 1978. He was most recently with Executive American Title, whose office in North Dade County he opened and managed.

Fernandez is honorary chairman of the Dade County Association for Retarded Citizens, president of the Miami Dolphin Chapter of the NFL Alumni Association, and secretary of Florida Outdoorsmen. He is also a member of the Miami-Norland Rotary Club, North Dade County Chamber of Commerce, and the Miami Touchdown Club.

Fernandez, 41, lives in Cooper City, FL. He is a native of Hayward, CA, and a graduate of the University of Utah, Salt Lake City. He is married and has two children.

BOIS

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has to bear the responsibility of managing that gap of perspective. One would think that the burden of responsibility belongs to the older, more seasoned manager. But it really doesn't—it's the branch manager's responsibility and, when he fails to do that, he puts himself in conflict. That's when problems occur.

For example?

Well, he's trying to spend and manage his environment in response to taking care of his customers' business today. He wants to take risks; to place himself in exposed market conditions, because he feels comfortable there. He has a good level of comfort for whatever reason. When he doesn't communicate that, the upper management tries to force him not to spend the money, not to take the chance, not to put himself at risk. Then conflict develops because he says, "You're not helping me out—you're not backing me up." And then he loses a little faith in his manager and the manager gets very nervous about his performance.

How does marketing strategy fit in with management approach tailored for economic fluctuation?

I believe that the industry talks too much about marketing and doesn't do enough about it. We, at Universal, attempt to be a customer-driven business and we let our customers tell us what our marketing approach is going to be. If we can get our managers to spend more time with the customers on a one-to-one basis and develop marketing strategies and theories on a customer-by-customer basis, then we're accomplishing our goals.

Have you foreseen various trends in management over the years?

Oh, I survived the conglomerate and the large holding companies. It appears I'll survive the financial diversified companies and, hopefully, I'll survive the financial retail store that everyone is now trying to create. Since we're a people-oriented business, the change is related more to how we manage people and what we attempt to do with them.

What do you think will be the trend in management during the next five years? Is it too early to tell, or, at present, do you see something that's evolving?

We talk about the shortage of teenagers and how that's going to lead to a drop in housing. It also means we'll have a reduced pool of cheap labor. This industry has historically been a clerical or paralegal driven industry. We've been able to compete with the manufacturing environment for capital investment because we've been able to use cheaper labor. That's not going to be the case anymore. We're going to have a labor shortage. Our people will have to be more productive. We're going to have to learn to spend less money when processing an order, and in keeping an office open.

> *"You have to be customer-driven, and you have to have your pulse in the marketplace. If you're waiting for problems to show up in your office, you'll find a crisis."*

What kind of person breeds a good manager?

I don't think there are too many people who are born instant managers. It's not a God-given talent. People who develop as managers are usually pretty good communicators, who have an interesting combination of hands-on theory combined with, "let 'em go fail by themselves" theory.

What do you attribute to the success of your own personal management technique?

I'm not sure it **has** been successful. I went into business from the ground up and I've been very fortunate to work in an environment with people who have always afforded me the opportunities to learn more about the business. I'm a pretty good listener and I like management. I perceive myself as being more in the management business than the title business.

Do you find that many young people entering the business world today don't know how to be effective listeners?

Yes (laughs). But young people have always been like that! I think people right out of college, who come to work in a business environment always want to prove themselves—want to prove they can do well. Sometimes we're so committed to doing that it becomes hard to be a good listener.

Has the evolution of automation helped stabilize the trouble of staffing in times of economic fluctuation?

Well, I'm in a minority, but I don't believe so. We still don't know how to automate ourselves and manage our automated investments so that it's beneficial to the company in all parts of our economic cycle. You have to get that return back over an extended period of time. And, if the equipment is only beneficial to us a few months out of a year, it becomes extremely difficult to get a good return on your investment. You could have used that money to hire and train people.

Among the buzz-words today, are issues management and responding to issues crises. As a manager, when do you know to go in and respond before it's too late?

As I said before, you have to be customer driven—and you have to have your pulse in the marketplace. If you're waiting for problems to show up in your office, you'll find a crisis. Again, we're talking about management of expenses and not people crisis. But this requires that we're thinking at least six months down the road, and the only way to do that is to really have your finger on the pulse of the customer.

With your demanding schedule, what's your catharsis?

I try and spend a great deal of time with my wife and children, and involve myself in their activities. I'm active in my son's youth hockey games, an avid fan of my daughter's figure skating, and I tutor in various clinics. My real passion, however, is duck hunting. I've even gotten my son involved in the sport, and my daughter to accompany me on the hunts. In addition, my wife is trying to teach me to learn how to relax more.

If you had to leave the industry tomorrow, what would you do?

I'd end up managing something else. I like management and dealing with profit-loss environment and capital investment.

What's your next challenge?

My objective is to shift our company so that we're diversifying. Three years ago, the title company represented 100 percent of our holding companies' income. Last year, our other companies accounted for close to 20 percent of our gross income. Our target is to have title account for only 50 percent of total income while still increasing its revenues by 18 percent per year.

QUINN
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It's declining because of the deficits we've built up and all the economic mismanagement. You can't blame Washington, because it's the American people that say, "Spend money on education and the military, but don't dare raise my taxes to pay for it." Financially, we are very weak in the world. There has been a slow decline in the standard of living for the average American, which we've been seeing since the middle 1970s—really since post-OPEC. And the way we fight against it is, we borrow. This whole baby boom generation has gotten itself incredibly in hock.

> *"If you can't recover from the malady of 'overspending,' you're going to face a disastrous future. Everybody's going to go over the cliff like lemmings."*

I'm very concerned about the home equity loan. It's one thing to run everything up on your credit cards, and have people sue you when you can't pay. Then, you end up with a bad credit record—but at least you have your house. If you start running everything up on your house with your home equity loan, it's goodbye house. This is not a generation of people who have ever saved—it's a generation of people who have spent.

Interestingly enough, the philosophy of many who grew up in the 40s and 50s was, "If you don't have the money, don't spend it." This doesn't seem to phase today's youth . . .

In the 1930s and 1940s, we learned the hard way not to spend what we didn't have. But in the 1960s and 1970s, the era of inflation appeared. Savings were eroded because of low interest rates which could not keep pace with rampant double digit inflation. The baby boom generation was taught by its parents, "Don't spend what you don't have." For them, this proved to be financially incorrect. Thus, they adopted the philosophy of, "Borrow, buy now, and repay the loan with cheap dollars." This was the only way to stay ahead.

In the 1980s, however, disinflation reappeared. We had come full circle. For the rest of the 1980s and into the 1990s, we are again facing a period when it is "right" to save. If you can't recover from the malady of "overspending," you're going to face a disastrous future. Everybody's going to go over the cliff like lemmings. The younger generation must figure out a way to turn that around and become savers again. This is a very interesting question for me, because once your attitudes toward saving and borrowing are set as they are in your first 10 years or so of financial maturity, they may be your attitudes forever. And, if they are, you're in trouble.

We are probably the only civilized country in the world that does not provide government sponsored daycare. How do you feel about that?

Daycare is clearly something essential to working parents. Interestingly enough, many non-working mothers send their children to daycare. It's become the pre-nursery school.

There must be several ways of taking care of children. I don't believe the Federal government should be the sole provider of daycare. We have a very complex and diverse country, and I believe we need a whole variety of systems to approach this—things like family daycare run by women working from home. In certain workplaces, daycare already exists as an employee benefit. We should treat it the same way we do company-paid medical care.

Government responsibility in daycare lies in the poverty area. Mothers who do want to get jobs, who do want to get off welfare, have no place to leave their children—except on the streets. This, of course, is our biggest problem. These children must have a place to go, otherwise we add to the social pathology of our nation.

In recent years, there have been drastic cutbacks in federal spending for the working poor. That's a disaster. There is a strong government obligation here, tied in with general social services, to do something with daycare for families of the working poor. But the middle and upper classes will have to rely on private sources for daycare funding.

What has been the greatest obstacle you've overcome in your professional career?

I finished college in 1960, before Title VII was passed. At that time, it was still legal to discriminate against women. I had no idea that discrimination against women existed. When you're a kid in college and you get an 'A,' no one says, "Is this a boy or a girl?" You grow up with the feeling that you'll be rewarded according to your abilities. I was a **total** dummy. I hadn't a clue.

So, I came to New York and immediately discovered that the world was not the way I thought it was. I would apply for jobs and they'd say, "We don't hire women for those jobs." I was so naive. I'd ask, "Why? I'm very good. I can do this," and they'd look at me like I came from Mars. "Those aren't women's jobs," they'd respond.

I started out at **Newsweek** at the mail desk, making $50 a week. I remember thinking, if I was real good and real smart and tried very hard, I could get a job as a staff writer. Everybody laughed at me, saying, "Jane, that doesn't happen to women." It was true. Women became researchers and stayed researchers. It was a noble line of work, but it wasn't what I wanted to be—so I left **Newsweek**. Now, of course, I am intensely happy to be back!

In the old days in New York, a woman couldn't get a decent job as a writer in training for any mainstream publication—other than in food or fashion—neither of which I was interested in. This being the case, I pursued the fringes of journalism—newsletters, and went to work for McGraw Hill. I had to be J.B. Quinn, so the readers wouldn't know I was a female. We had to keep the "deep dark secret." I was grateful, however, because I was given a "man's" job. I had gotten into middle management and enjoyed the business aspect. I learned much and was absolutely fascinated by it all.

Apparent to me at the time, however, was the fact I was denied both the promotion and title I would have received if I were a man. When that happened, I left McGraw Hill. In essence, they were telling me I had no future because I was a woman. It was then I decided, the corporate structures were hopeless, because they were run by men who had no intention of promoting you anywhere. My big argument with McGraw Hill was that in the position I went into, the two previous occupants were

> *"This is not a generation of people who have ever saved—it's a generation of people who have spent."*

called "publishers." They gave me the title "general manager," telling me, "We've had a change. From now on, this job is going to be for a 'general manager.' " When I left, a man took that job, and what was his title? "Publisher."

The only way I could fulfill what I thought were my abilities, was to get out of the corporate structure and work for myself. Many women are doing this today. You see women leaving big business and starting smaller ones of their own. They've reached the glass ceiling where they won't be promoted. The difficulties women have had, and continue to have in business with paid promotion, lie within the corporate structure. There's going to have to be a whole new march down Fifth Avenue by female vice presidents before you start seeing this type of thing changing!

> *"Government responsibility in daycare lies in the poverty area. Mothers who do want to get jobs, who do want to get off welfare have no place to leave their children—except on the streets. These children must have a place to go, otherwise we add to the social pathology of our nation."*

If you weren't a financial journalist, what would you do?

I'd have another challenge that would interest me. Probably one of the great attractions of journalism for me, is, there's always something new—whether it's a concept, person, or idea. You're not doing the same thing everyday, so your mind is always into something fresh and wonderful. You read something and it always sets off fireworks. Journalism is a wonderful subject for that—you're always on the cutting edge.

Every four or five years, I seem to need a new venture—something new to learn. That is part of the psychology of me as a person. I must have this constant freshening of the intellect—whether it's learning about the Mayas, or gardening. I'll probably learn horseback riding next year!

If you were stranded on a desert island, and could have any book with you, and any person other than your husband, what and who would it be?

Any person other than my husband? Forget it! That wouldn't work! And any book? I couldn't answer that question. I'd need a library. No. (Laughs). What I would need would be a library card and a pigeon! Federal Express delivers anywhere don't they! Even to desert islands!

How would you describe yourself?

As somebody who works too hard and loves it, someone who has had the good fortune of succeeding in the profession I always wanted to be in, which makes me intensely happy. I mean, if you have a dream when you're 14, and it comes true, which happened in my case, I consider that an extraordinary piece of good luck, and well worth the hard work. I am very grateful for my marriage. This is my second one—it's a wonderfully long and productive marriage because when you work as hard as I do, it can be difficult to put a good family together. And I lucked into the right man. He's tremendously kind and supportive. I have two children and three stepchildren and get along with all of them. I work like the devil. But I love it, and consider myself extremely lucky to have made my childhood dreams come true. Because they have come true.

NEW ALTA MEMBERS

(The names listed in parentheses are recruiters who have now qualified for membership in the ALTA President's Club.)

ACTIVE

California
First American Title Company of Napa, Napa

District of Columbia
Titlemark Services, Inc., Washington

Florida
Advance Title, Inc., Fort Walton Beach (J.H. "Skip" Boos, First American Title Insurance Company, Plantation, FL)
First Title of Hernando/First Title of Citrus, Spring Hill
Independent Abstract & Title Company, Inc., Key West (J.H. "Skip" Boos, First American Title Insurance Company, Plantation, FL)
Title Guaranty of South Florida, Inc., Fort Lauderdale (Pat Ireland, First American Title Insurance Company, Plantation, FL)

Illinois
Owens Title Company, Benton

Louisiana
Insured Title Company, Ltd., Lafayette

Minnesota
Twin City Abstract Corporation, St. Paul (John "Jack" Gibbons, Tri County Abstract & Title Guaranty, St. Cloud, MN)

Missouri
Vernon-Dillard Abstract, Inc., Lebanon

New Jersey
Clear Title Agency, Inc., Freehold
Record Abstract, Hackensack

New Mexico
Lawyers Title of Valencia County, Inc., Los Lunas

New York
Brunswick Abstract, Inc., Watervliet (Richard Beman, Mississippi Valley Title Insurance Company, Albany, NY)
Record Abstract Corporation, Brooklyn

North Dakota
Bismarck Title Company, Bismarck

Ohio
Benchmark Title Agency, Inc., Columbus (Lawrence H. Edger, American Realty Title Assurance Company, Columbus, OH)

Pennsylvania
Carbon County Abstract Company, Lehighton

Rhode Island
Real Estate Title Insurance Company of Providence, Inc., Providence

Texas
Pioneer Title Company of Austin, Austin (Bert V. Massey, II, Brown County Abstract Company, Inc., Brownwood, TX)

Virginia
Cavalier Title Agency, Inc., Fredericksburg (Malcolm Morris, Stewart Title Guaranty Company, Houston, TX)
Northern Virginia Title & Escrow, Inc., Fairfax (Judy Vlad, Professional Title Service, Inc., Leesburg, VA)
Pembroke Title, Virginia Beach

Wisconsin
Midwest Title Service, Inc., Menomonie (John R. Bethell, First American Title Insurance Company, Madison, WI)

Wyoming
Wyoming Title Service, Riverton (Russ Meacham, Commonwealth Land Title Insurance Company, Colorado Springs, CO)

CANADA

Montreal
Quebec Title Insurance Agency, Inc., Montreal, Quebec (Marvin C. Bowling, Jr., Lawyers Title Insurance Corporation, Richmond, VA)

ASSOCIATE

Illinois
Mary Lou Reeves, Taylorville

Ohio
Bruce Campbell, Akron (Orville Jones, Commerce Title Agency, Inc., Akron, OH)

Tennessee
Lawrence E. Ramsey, Dickson (J.L. Boren, Mid-South Title Insurance Corporation, Memphis, TN)

1988 AFFILIATED ASSOCIATION CONVENTIONS

May

12-14 Virginia, Kingsmill on the James, Williamsburg, VA.

12-15 Texas, Westin Galleria Hotel, Houston, TX.

13-15 Palmetto, Marriott at Hilton Head Island, Hilton Head Island, SC.

18-21 California, Newport Beach Marriott, Newport Beach, CA.

19-21 New Mexico, Sallyport Inn, Roswell, NM.

June

5-7 Pennsylvania, Hershey Hotel, Hershey, PA.

9-10 South Dakota, Holiday Inn-Downtown, Sioux Falls, SD.

12-14 New Jersey, Pocono Hershey, White Haven, PA.

16-18 Oregon, Ashland Hills Inn, Ashland, OR.

16-19 New England, The Balsams, Dixville, NH.

16-19 Illinois, Adams Mark Hotel, St. Louis, MO.

23-25 Colorado, Tamaron Inn, Durango, CO.

23-25 Tennessee, Park View Hotel, Gatlinburg, TN.

July

6-10 Utah, Sun Valley, Sun Valley, ID.

10-12 Michigan, Grand Traverse Resort, Traverse City, MI.

28-30 Wyoming, Holiday Inn, Douglas, WY.

August

11-13 Montana, Billings Plaza Holiday Inn, Billings, MT.

11-14 Idaho, Coeur d'Alene Resort, Coeur d'Alene, ID.

11-14 North Carolina, Wintergreen Resort, Wintergreen, VA.

18-20 Minnesota, Cragun's Resort on Gull Lake, Brainerd, MN.

18-21 Kansas, Wichita Marriott, Wichita, KS.

21-24 New York, The Equinox, Manchester Village, VT.

September

8-10 Missouri, Holiday Inn-Executive Center, Columbia, MO.

14-17 Dixie Land, Perdido Beach Hilton, Gulf Shores, AL.

15-17 North Dakota, Sheraton Galleria, Bismarck, ND.

18-20 Ohio, Hotel Sofiteo, Toledo, OH.

21-23 Nebraska, Midtown Holiday Inn, Grand Island, NE.

21-23 Washington, Red Lion Inn, Pasco, WA.

21-23 Wisconsin, Embassy Suites-Brookfield, Brookfield, WI.

24-27 Indiana, Indianapolis Hilton at the Circle, Indianapolis, IN.

November

10-12 Arizona, Holiday Inn, Casa Grande, AZ.

9-12 Florida, Omni Jacksonville Hotel, Jacksonville, FL.

December

9 Louisiana, Meridian Hotel, New Orleans, LA

* * *

Alaska, Nothing scheduled for 1988

Maryland, Nothing scheduled for 1988

Nevada, Nothing scheduled for 1988

HEALTH BENEFITS
continued from page 8

Impact of S. 1265 Upon Industry (Kennedy)

• Benefits

The minimum package includes hospital care, physician care, diagnostic and screening tests, prenatal and well-baby care, and mental health benefits.

Deductibles are limited to a maximum of $250 per person and $500 per family. Coinsurance is limited to 20 percent. The exception to these rules is prenatal and well-baby care, which must be covered without coinsurance or deductible.

Policies must include a catastrophic cap on out-of-pocket expenses of $3,000.

• Workers and Businesses Covered

Employees working 17½ hours a week or more and their dependents must be offered coverage by their employers. The employee is required to accept the coverage offered. In addition, owner-operators of businesses that employ covered workers must also participate in the group plan. Individuals who are self-employed and have no employees are not required to insure themselves.

• Waiting Periods for Coverage

In general, employees must be covered after they have been employed for thirty days. There is a grandfather clause for businesses that have previously had a longer waiting period. They may establish a waiting period for up to six months for full coverage, but they must provide catastrophic coverage for the period between 30 days and six months.

• Pre-existing Condition Exclusion

Employers are not allowed to exclude individuals from coverage based on health status.

• Regional Insurer Program

In order to reduce the cost of insurance to small businesses, the legislation establishes a regional insurer program. To respond to insurance company criticisms that the regional insurer structure in the original bill would exclude small and medium-size insurers, provisions of the legislation that restrict the number of regional insurers to 2-5 per region have been modified.

Currently, according to Actuarial Research Corporation, the retention rate for small businesses—the amount of the premium not paid out in benefits, but is used to cover sales expenses, administrative costs, and profit—averages 25 percent. In contrast, the comparable figure for large businesses averages 5 percent. The regional plan structure can be expected to reduce this average to 15 percent. In addition, small businesses that choose the managed care option can expect savings of 15 percent or more. Businesses larger than 25 will not be allowed to buy through the regional insurers, except for those that have no coverage as of the effective date of the law.

• Costs

The estimated value of the new coverage purchased as the result of the plan is $27.1 billion. This figure assumes that the new coverage is purchased through indemnity rather than managed care plans. There are significant offsets to these figures. The net cost, after offsets, is approximately $15 billion.

The current premium estimate for an indemnity plan, according to Actuarial Research Corporation, is $708 for an individual and $1,798 for a family, with a composite cost of $1,307. Prenatal and well-baby care account for $42 per worker per year, or about 3 percent of the cost. Since an employer generally is required to pay 80 percent of this cost, the per employee cost for an employer is $1,045 or 52 cents per hour for a full-time worker (excluding mental health benefits).

Economic Impact of S. 1265, Mandated Health Benefits (Hatch)

To fully comprehend the issue at hand, it is first important to review the status of our present health care system:

- 85 percent, or more than 200 million Americans have health care coverage.
- Nine out of 10 employees under 65 have employer-group health coverage.
- 15 percent of all Americans are uninsured. That includes 1 million who are uninsurable because of bad health.
- The employed uninsured range widely in age, income, and general health status.
- Uncompensated health care costs range between 7 to 8 billion dollars.

Food For Thought

There exists, however, some percentage of the 39 million Americans who are uninsured who may need or desire health insurance. To address this concern, the program would force a single federal system on all employees.

What is the expected cost of this program? According to the Congressional Budget Office, it will cost approximately $28 billion or roughly $350 more per worker.

Who will pay for this program? Employees. They will pay for it through their own paychecks, through reduced wages, reduced benefits and reduced work hours.

What impact will this have upon workers? It will eliminate between 100,000 and 1 million jobs. And, according to the Congressional Budget Office, most of the jobs will be lost by low-wage workers.

Can employees opt out of this program if they need to spend the money on something else, or, if they are already covered under another program? No. Under this approach, employees lose their freedom to choose how to spend their money. The legislation explicitly excludes any freedom to choose among, for example, cash benefits or leave benefits or life insurance benefits. Some employees may even lose the flexibility of choosing a job as more and more employers are forced to lay off workers in order to meet higher benefit costs.

The proposed legislation presents us with a regressive payroll tax. Highly compensated employees generally have rich benefit packages that represent a small percentage of their salary.

Less skilled workers at the lower pay scale, however, will be forced to pay a greater portion of their salary for this benefit.

This legislation poses another economic problem, imposing brand new cost on our society of $25 to $100 billion. This inflationary act comes at a time when the nation is attempting to balance the federal budget by looking for $12 billion in spending cuts—or revenue increases, and when we are making an effort to improve our ability to compete in foreign markets.

Imposing a $25 to $100 billion tax in new costs upon citizens of this country is simply unaffordable. This bill would be the single largest regressive tax imposed on this nation's citizens.

CALENDAR OF MEETINGS

June

8 ALTA Board of Governors, The Broadmoor, Colorado Springs, Colorado

9-10 ALTA Western Regional Title Insurance Executives, The Broadmoor, Colorado Springs, Colorado

October

16-19 ALTA Annual Convention, Westin Harbour Castle, Toronto, Canada

November

10 ALTA Regional Seminar, The Westin Hotel, Cincinnati, Ohio

1989

January 9 ALTA Board of Governors, Desert Springs Resort, Palm Springs, California

April 5-7 ALTA Mid-Year Convention, The Mayflower-A Stouffer Hotel, Washington, D.C.

April 30-May 2 (tentative) ALTA Eastern Regional Title Insurance Executives, Marriott's Griffin Gate Resort, Lexington, Kentucky

June 7 ALTA Board of Governors, The Broadmoor, Colorado Springs, Colorado

June 8-9 ALTA Western Regional Title Insurance Executives, The Broadmoor, Colorado Springs, Colorado

October 15-18 ALTA Annual Convention, Hyatt Regency Embarcadero Center, San Francisco, California

1990

January 15 ALTA Board of Governors, The Ritz-Carlton Hotel, Naples, Florida

April 4-6 ALTA Mid-Year Convention, Hotel Inter-Continental, New Orleans, Louisiana

April 29-May 1 (tentative) ALTA Eastern Regional Title Insurance Executives, Hotel undecided

June 6 ALTA Board of Governors, The Broadmoor, Colorado Springs, Colorado

June 7-8 ALTA Western Regional Title Insurance Executives, The Broadmoor, Colorado Springs, Colorado

September 30-October 3 ALTA Annual Convention, Hyatt Regency, Chicago, Illinois

1991

January 14 ALTA Board of Governors, Quail Lodge, Carmel, California

April 10-12 ALTA Mid-Year Convention, San Diego, California (hotel to be selected at later date)

September 25-28 ALTA Annual Convention, The Westin Copley Place, Boston, Massachusetts

1992

March 25-27 ALTA Mid-Year Convention, Washington, DC (hotel to be selected at later date)

October 14-17 ALTA Annual Convention, Hyatt Regency and Maui Marriott, Maui, Hawaii

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charitable organization (20 percent of the membership does 80 percent of the work) or in a computerized installation (where to solve that last 20 percent of conversion requires the organization to expend 80 percent of the effort). If the necessary expenditure is not made for the final conversion push, what has the organization accomplished besides incurring some of the cost with few of the benefits?

With the above-mentioned cost considerations, the benefits of mechanization may only be derived if these costs can be spread over a substantial installation. A title office of a half dozen employees would not be able to justify a multi-user installation compared to a stand alone processor. Larger organizations can more readily absorb the back office cost of in-house expertise, so economy of size or scale becomes obvious.

The concept of attaching additional terminals to a processor without considering the degradation of response time is inadvisable. With the recent development in the electronics industry, more powerful central processing units are available. But, when these are requested to do multi-tasking (i.e., handling searching and escrow at the same time), reduced response time is a fact of life.

Data Storage Decisions

As an installation grows, data storage becomes more important; either you make the tough decisions on which items will be archived/deleted, or expand the storage capacity of the system. Due to the nature of our industry, the index data may never be archived and management can look forward to expending more and more funds for on-line storage. In our installation, we currently have two gigabytes (a gigabyte is a billion bytes or characters) of on-line storage and anticipate development of storage hardware and a commitment to staying on the leading edge of technology, our organization does not plan to archive any important information. Since we mechanized policy issuance, we have on-line every policy ever issued and, through a few strokes of the terminal keyboard, these issued policies can be converted into a new commitment.

Standardization (be it in procedures or the product) has obvious benefits. However, flexibility must be maintained. The installation of the system must be adapted to the individual business and not have the business adapt to the system. Otherwise, the installation will not be a success. Personalization and flexibility allow for acceptance by the staff. To accomplish this, each installation must have the source code (the original programs themselves), whereby either in-house expertise may be used to maintain and improve the system, or local "outside" programmers can furnish assistance.

The modification of any program which may correct problems, reformat printed reports, etc., cannot be dependent on the whims of an independent organization but must be under the control of local management.

A multi-user system has substantial benefits and rewards in a company of appropriate size if management promotes it, the investment recovery analysis justifies it, and dependency problems are recognized. Currently, this type of automation is working for The Title Office, Inc.

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