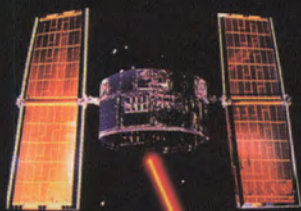


TITLE *News*

NOVEMBER-DECEMBER 1996



GPS
and our
Surveying
Heritage



Your search is about to
end with **Title Quest™**

the first full-featured title insurance application

designed specifically for

Windows® 95

and Windows® NT

Title Quest™ is the end of your search for easy title and escrow production. The countdown is on for the debut of Title Quest™, the first full-featured title insurance application. Designed specifically for Windows® 95 and Windows® NT, Title Quest™ is also available integrated with EDI Office™.

Call 800-525-8526 for a demo diskette.

Or visit our website at <http://www.gendata.com>



Title Quest™. Another innovation
from Genesis Data Systems, Inc.

TITLE *News* NOVEMBER • DECEMBER 1996

Volume 75, Number 6

\$5 per issue (member rate) \$8 per issue (non-member rate)

On the cover: The advent of Global Positioning System (GPS) measurement of the earth through satellite technology has introduced previously unimagined precision to land surveying. But this spectacular progress is not without problems. As physical evidence is precisely evaluated against the property descriptions in a chain of title, conflicts emerge with long standing ground measurements made by government surveyors in establishing true corners under the law. For a commentary on this dilemma and the implications for land title evidencing and surveying, please turn to page 12.

FEATURES

7 NAIC Working Group Tasks Completed

By Richard W. McCarthy

Wrapping up a busy agenda is development of a Statutory Premium Reserve White Paper that could be used by individual states in establishing an SPR formula.

12 GPS and Our Surveying Heritage

By Mary C. Feindt

Those from ALTA and the American Congress on Surveying and Mapping must work as a team to bring the ALTA/ACSM Survey Standards into line with the GPS breakthrough.

14 Convention Los Angeles in Pictures

National issues, cutting edge management topics, and the latest on title automation were major emphasis areas - and there still was time to enjoy the Southern California ambiance. (Photographs by Ken Abbinante)

20 Presidential Profile: Dan Wentzel

Although the new ALTA president does not expect the title industry to depart from its familiar basic identity moving into the new century, there may well be some dramatic changes shaped by advances in communications software and networking, digital technology and customer group consolidation.

25 New Slide Show Emphasizes Value, Quality of Full Title Insurance Coverage

Responding to the increased need for a general public and marketplace message emphasizing the superior quality and value of full title insurance coverage, ALTA has produced a versatile, 20-minute color slide presentation for nationwide adaptation.

DEPARTMENTS

5 A Message from the Abstractor-Agent Chairman

29 Names in the News

34 Marketplace

34 Index to Advertisers

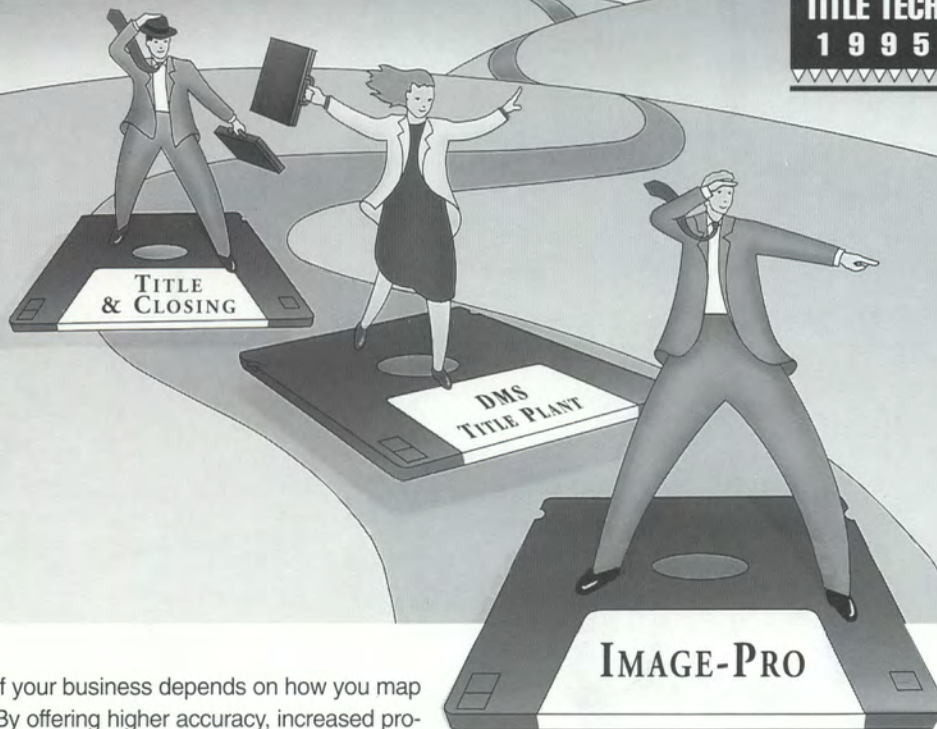
Title News is published bi-monthly by the American Land Title Association, 1828 L Street, N.W., Suite 705, Washington, DC 20036. U.S. and Canadian subscription rates are \$30 a year (member rate); \$48 a year (non-member rate). For subscription information, call 1-800-787-ALTA. Send address changes to: *Title News*, circulation manager, at the above stated address.

Anyone is invited to contribute articles, reports and photographs concerning issues of the title industry. The Association, however, reserves the right to edit all material submitted. Editorials and articles are not statements of Association policy, and do not necessarily reflect the opinions of the editor or the Association.

Reprints: Apply to the editor for permission to reprint any part of the magazine. Articles reprinted with permission must carry the following credit line: "Reprinted from *Title News*, the bi-monthly magazine published by the American Land Title Association."

If You Travel On The Information Highway, You'd Better Plan For The Trip.

TECHNOLOGY
AWARD
OF
EXCELLENCE
TITLE TECH
1995



The success of your business depends on how you map out your future. By offering higher accuracy, increased productivity and cost savings, SMS Title Works gives you the competitive advantage with Image-Pro, DMS Title Plant and Title & Closing. And Title Works is not proprietary – allowing you to use one or all three software programs in conjunction with your existing systems.

IMAGE-PRO, the latest Title Works addition, is a document imaging system that captures and stores electronic images like Starter Files, Recorded Documents, Maps and more. They can be displayed, printed or faxed anywhere using a standard windows-based PC. Imagine the possibilities:

- Instant records access
- Clean legible copies
- Years of records stored on a disk

SMS Title Works. We'll put you on track for the future.

SMS

TITLE WORKS
The Competitive Advantage

1-800-767-7832 Ext. 2266

IMAGE-PRO
Document Imaging

DMS TITLE PLANT
Name & Property Index

TITLE & CLOSING
Production



ASSOCIATION OFFICERS

President

Dan R. Wentzel, North American Title Company, Inc., Walnut Creek, CA

President-Elect

Malcolm S. Morris, Stewart Title Guaranty Company, Houston, TX

Treasurer

Harold Pilskaln, Jr., Old Republic National Title Insurance Company, Boston, MA

Chair, Finance Committee

Cara L. Detring, The St. Francois County Abstract Co., Inc., Farmington, MO

Chair, Abstracters and Title

Insurance Agents Section

Joseph M. Parker, Jr., Parker Title Insurance Agency, Inc., Winston-Salem, NC

Representatives, Abstracters and

Title Insurance Agents Section

Stephen M. Evans, Evans Title Companies, Inc., Appleton, WI

Stanley B. Friedlander, Continental Title Agency, Cleveland, OH

Chair, Title Insurance

Underwriters Section

Charles H. Foster, Jr., Lawyers Title Insurance Corporation, Richmond, VA

Representatives, Title Insurance

Underwriters Section

John N. Casbon, First American Title Insurance Company, New Orleans, LA

Richard L. Pollay, Chicago Title Insurance Company, Chicago, IL

Immediate Past President

Herbert Wender, Commonwealth Land Title Insurance Company, Philadelphia, PA

ASSOCIATION STAFF

Executive Vice President

James R. Maher

Vice President-Public Affairs

Gary L. Garrity

Director of Research

Richard W. McCarthy

Vice President-Administration

David R. McLaughlin

Legislative Counsel

Ann vom Eigen

General Counsel

Edmond R. Browne, Jr.

Director of Education

Patricia L. Berman

Director of Meetings and Conferences

Leigh A. Vogelsong

Director of Membership/Marketing

M. Kathleen Hendrix

Director of Information Systems and Technology

Kelly Throckmorton

Title News Composer

Carol C. Hoston

A MESSAGE FROM THE ABTRACTER-AGENT CHAIRMAN



Now that the ALTA strategic planning process is well under way and Executive Vice President Jim Maher and his staff have, at least in preliminary form, developed strategies and specific tactics supporting the objectives, it is time to view the recently completed elections with some reflection.

As the strategies and tactics filter down to our various committees and general membership, I think everyone is going to be impressed with the work that Jim and his staff have done toward needed changes in our organization. The strategies and tactics as developed by the staff are, of course, based on the mission and goals as established by

the Board of Governors.

Speaking of the program goals, it is interesting in view of the recently completed elections and political period to take note of the goals upon which the strategies and tactics are based. Simply stated, they are as follows: (1) advocacy of member concerns; (2) education; (3) a data base of information; and (4) technology. Interestingly, as a result of interviews and a poll of the ALTA membership, advocacy of member concerns, or what in part might be called political lobbying, was rated first-although a close first-in the ranking of program goals.

Although we are a small association compared to some national trade associations, I have always been impressed by the political activity and the political influence of many of our members. In my travels around the country to visit state title associations of all sizes, I have found that our local members have their ears to the political ground.

Many of our members around the country are active in political organizations, as well as supporting local candidates and dealing with local candidates and local issues. This leads to activities in regard to national issues and national elections. ALTA members have worked hard in the past few years, dealing with senators, representatives and other political leaders in regard to issues facing our industry such as the bank powers legislation. We may be small, but through the leadership of Ann vom Eigen of staff, I believe our membership community has made the political community aware of who we are and where our interests lie.

Ann and other members of the staff have done an outstanding job of keeping abreast of national matters which affect our industry. Ann takes it upon herself to recruit many of our members, and particularly those of you who are politically active locally, to work with her on a national level. Thanks to those efforts, we have become more focused in the recently completed and important elections. Many ALTA members answered the "call to arms" and were active in local issues and elections, along with supporting local and national candidates.

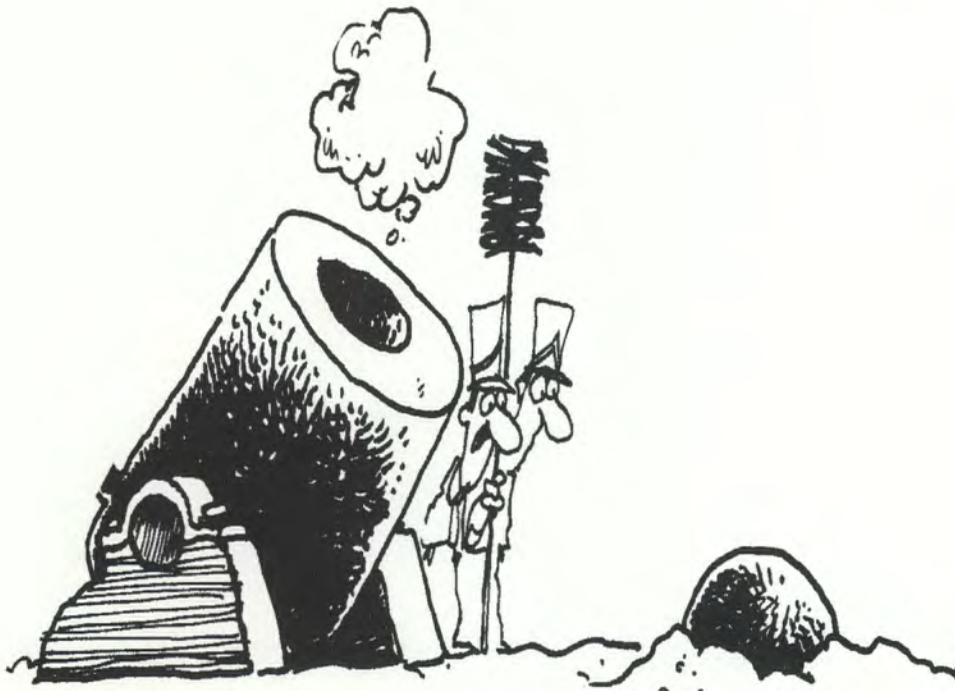
As you probably know from the contact made with your local elected officials, they are aware of those who support them during an election. Our democratic form of government may not be perfect, but it continues to be the best in the world. For the good of ourselves and the industry, we must all continue to remain active.

There is the story of the active community leader who was a member of a variety of political and civic organizations who, when asked for whom he voted, became quiet and did not answer. He was not even registered. By the time this message appears in *Title News*, the elections will have been completed. I hope all of you, in addition to your community activities, have voted.

Kindest regards,

Joseph M. Parker, Jr.

Some title plant systems won't get you very far



When you're processing thousands of sensitive documents and dealing with gigabytes of data, your title plant system better have what it takes to respond instantly, accurately and cost effectively.

At TDI, we know what you're up against because we operate one of the largest automated title plant and tax systems in the country. We've designed our TIMS™ software to carry a heavy load—it's more powerful, easier to operate and has more capabilities than any other system on the market.

TDI has been specializing in large automated title plants for 29 years. We are owned by every national title insurance company, which means we have the resources to bring you the latest technologies...today *and* tomorrow.

So, if you want more than just bang for your title plant buck, call the computer experts who *know* title plants: Title Data.



TITLE DATA

Excellence by Design

2600 Citadel Plaza Drive, Suite 200
Houston, Texas 77008-1358
Tel: 713/880-2600 • Fax: 713/880-2660

© 1996 Title Data, Inc.

NAIC Working Group Tasks Completed

By Richard W. McCarthy
ALTA Director of Research

After almost five years, the Title Insurance Working Group -- formed under the Special Insurance Issues Committee of the National Association of Insurance Commissioners -- announced, at the September NAIC Convention in Anchorage, AK, that it had completed all tasks charged to it by the Parent Committee.

Those tasks completed prior to June, 1996, and commented on earlier, were the development of Title Agent and Title Insurer Model Acts, numerous changes to the Title Insurer Financial Reports (Form 9s) and the requirement that a title insurer's total reserves be certified for adequacy by an actuary on an annual basis, i.e., the actuary will indicate what he or she believes is the best estimate of a title insurer's total liability for the sum of known, IBNR claims, and allocated and unallocated loss adjustment expenses. As we will discuss below, if the title insurer's total statutory liability for known and future claims plus expenses is less than the actuaries' best estimate, then a Supplemental Reserve must be booked to cover the deficiency.

The final task of the Working Group, which was completed last month, was to develop a Statutory Premium Reserve Requirement White Paper that could be used by the various states to establish an SPR formula. The following is a summary of that White Paper.

Title insurance companies are required to establish reserves for all losses and loss adjustment expenses in order to insure that all known and future claims will be honored. This is consistent with the reserving requirements for other insurance lines.

However, because of the unique characteristics of the title industry and the existing reserving statutes for the title insurers in most states, the federal tax code permits title insurers to deduct a state mandated "Statutory Premium Reserve" (SPR) but does not allow a deduction for losses that are "incurred but not Reported" (IBNR) as is allowed for other property and casualty lines.

A key criticism of the SPR approach made by the Title Insurance Working Group was that a state mandated formula approach is not responsive to changes in the legal and/or loss environment. To respond to this criticism while maintaining the tax deductibility of title insurer reserves, a state mandated SPR plus actuarial certification (and where appropriate a Supplemental Reserve) are relied upon.

The final task of the Working Group...was to develop a Statutory Premium Reserve Requirement White Paper that could be used by the various states to establish an SPR formula.

Title Insurer Losses, Reserves

In general, title insurer losses and loss adjustment expenses include

- Policy losses paid to or on behalf of policyholders
- Expenses paid to litigate claims, and
- Internal expenses incurred to administer claims (unallocated loss adjustment expenses)

Title insurers establish reserves to cover anticipated future payments on claims that are not yet closed. These reserves are usually established in the following categories.

1. Known Claims Reserve -- Losses identified due to specific claims having been made which are still unresolved. Known claims reserves contain two components.
 - a. Case Reserves -- Estimates made on a claim by claim basis of amounts required to investigate, defend and settle the claim. These estimates are subject to revision as the investigation proceeds.
 - b. Bulk Reserves (also known as Incurred but not Developed) an overall estimate, usually based on statistical analysis, of additional amounts likely to be added to individual case reserves over time as more information about these cases is learned.
2. Incurred but not reported (IBNR) -- Losses not yet identified, but claims to be made at a later date.

Known losses will partly be paid and

partly be unpaid. IBNR losses, of course, are always unpaid.

In the annual statement, Known Loss Reserves have been reported on line 1a of the liability page of the balance sheet ("Loss reserve for undetermined title and other losses of which notice has been received") and in columns 17, 18 and 19 of Schedule P -- Part 1 ("Known Claim Reserves"). Beginning at the end of 1996, they will be reported on line 1 of the liability page of the balance sheet ("Known Claim Reserves") and in columns 18, 19 and 20 of Schedule P. Case Reserves are reported in Schedule P -- Part 2B and Bulk Reserves, if any, are reported in Schedule P -- Part 2C.

Loss reserves for unreported claims (IBNR) have not previously been provided for directly for title insurers, either in the annual statement or in statutes. However, both statement and statutes have provided for a special reserve which serves the same or similar purpose. This reserve is reported on line 3 (line 2, beginning with 1996) of the liability page of the balance sheet ("Statutory Premium Reserve") and is known in various state statutes as the Statutory Premium Reserve, the Unearned Premium Reserve or the Reinsurance Reserve.

In addition to the above, title insurers have historically treated unallocated loss adjustment expenses as current period operating costs and provided no reserve for future expenses to administer claims made on existing policies. However, also beginning at year end 1996, Reserve for Unallocated Loss Adjustment Expense will be reported on Schedule P -- Part 1, Column 24, and will become one of the components in the overall reserve calculation which may lead to the posting of a Supplemental Reserve.

Ensuring Reserve Adequacy -- The Supplemental Reserve

Beginning at year end 1996, Schedule P of the annual statement will require reporting of all the components of a total reserve for unpaid losses and loss adjustment expenses. This will include reserves for known claims and related allocated loss adjustment expense (both case and bulk), reserves for unknown claims (IBNR) and related allocated loss adjustment expense, and unallocated loss adjustment expense. The total of these components, "Total Net Loss and LAE Unpaid" (Column 25 of Schedule P, Part 1) or "Net Reserves Discounted" (Column 36), if the state allows discounting, will be subject to actuarial review. This review will result in an actuarial opinion that the total reserve is an reasonable reserve for all unpaid loss and loss ad-

justment expenses on existing policies.

This total reserve requirement will be reported on Part 3B of the Operations and Investment Exhibit, and compared to the total statutory reserves reported on the balance sheet -- the sum of lines 1, 2, and 3 (the Known Claims Reserve, the Statutory Premium Reserve and the aggregate of other reserves required by law, respectively). If the actuarially calculated required reserve exceeds this sum, then an additional reserve will be created and reported on line 4 of the liability page of the balance sheet ("Supplemental Reserve").

Any supplemental reserve requirement will not flow through income, but will be deducted directly from surplus and will *not* be tax deductible. On the

A key criticism of the SPR approach made by the Title Insurance Working Group was that a state mandated formula approach is not responsive to changes in the legal and/or loss environment.

otherhand, any excess of statutory reserves over the certified required reserve will be carried as redundant reserves, and no correction for the redundancy will be made. Thus, the importance of each state's Statutory Premium Reserve formula is readily apparent:

1. If the SPR is too high, reserves will be redundant and the use of capital may be restricted.
2. If the SPR is too low, a large Supplemental Reserve may become necessary, causing the company to suffer an income tax penalty.

The Statutory Premium Reserve

Historically state mandated Statutory Premium Reserves (SPRs) have served the same purpose as an IBNR. Over the years, some states' provisions have become too low overall, resulting in inadequate reserves, while other states' provisions are too high, resulting in redundant reserves.

Title Insurer Model Act -- SPR Formula

The NAIC Title Insurer Model Act provides recommended title insurance legislation which will establish an updated SPR in each state. The goal is to make the SPR approach consistent from state to state, but with parameters tailored to the needs of each state. Because each state's domestic title insurers can have significantly different loss characteristics from those in other states, the Model Act has only provided a formula structure, leaving each state to determine the appropriate specific factors which apply for its domestic title insurers.

A recent analysis of reported 1995 title insurance company annual statement Schedule P data was performed by the NAIC and reviewed by representatives of the title insurance industry. Agreement was reached on an appropriate process for any state to use to establish its SPR formula. Further, the analysis suggested the following averages and ranges are relevant for the industry overall.

SPR Provision Rates

The Working Group estimated an SPR provision on a national basis. For the revenue (premium) based SPR formula, the appropriate initial national provision rate ranges from:

4.3% to 11.8% of revenue, with an average of 8.1%

Revenue for this purpose is defined as the sum of the following:

1. Direct premiums written
2. Escrow and settlement services fees
3. Other title fees and service charges including fees for closing protection letters; and
4. Premiums for reinsurance assumed less premiums for reinsurance ceded during year.

Based upon a review of net retained liability data compiled as a result of a special data call by the NAIC in mid-1996, the equivalent liability based provision rates are as follows:

	Low	Average	High
Indicated SPR Factor on Policies Below \$500,000	\$0.14	\$0.35	\$0.61
Indicated SPR Factor on Policies Above \$500,000	\$0.06	\$0.15	\$0.26
Indicated SPR Factor Applied to Escrow,	4.3%	8.1%	11.8%

More important than the above numbers, however, is the implication behind them. There is significant variation from company to company and between large, multi-regional or national companies and small, more local companies. Individual companies may even fall above or below the ranges indicated. It is extremely important for each state, in considering its SPR formula, to look at the specific loss histories and attributes of its domestic companies and perform an analysis of these companies' data and determine the appropriate provision level for its domestic title insurers and, therefore, for its statute.

It should be kept in mind that too high a rate will produce mandated redundant reserves. On the other hand, too low a rate will not produce inadequate reserves (the Supplemental Reserve will make up any difference), but the title insurer will be denied a tax deduction for an otherwise appropriate expense, causing an unwarranted additional surplus reduction. It should also be remembered that the ranges described above by no means reflect all of the possible appropriate SPR values for individual companies. Only an analysis of specific loss characteristics of domestic companies will provide an appropriate SPR provision applicable for each state.

SPR Drawdown

The initial SPR provides a reserve estimated to cover loss and loss adjustment expense on all unreported claims for policies issued during the previous year. As time passes, the unreported claims become known claims and the initial SPR reserve is drawn down to reflect a diminished reserve need. The mechanism to reduce the SPR reserve over time is called the SPR drawdown.

The NAIC Title Insurer Model Act contains a specific SPR drawdown provision which was based on an analysis of data that is of lesser quality than that which is currently available. The latest analysis of more recent, more complete data suggests a different SPR drawdown, which is provided in this report. The SPR drawdown provided in this report supersedes the one contained in the NAIC Title Insurance Model Act and should be used in its place.

The NAIC's analysis results in the following SPR reserve drawn table:

- 30% the first year
- 15% the second year
- 10% each of the next two years
- 5% each of the following two years
- 3% the next two years
- 2% the next seven years
- 1% the last 5 years

As with the SPR factors, states should look at the specific loss development patterns of their domestic companies to determine the appropriate drawdown formula for their own statute.

Actuarial Considerations

Many considerations must be taken into account when selecting an SPR provision for any given state. In fact, although the appropriate value for most states probably lies within the range calculated by the NAIC, some states may even find that their appropriate value lies outside this range. Major items relevant to the selection of an SPR provision are as follows:

1. Deciding on the correct methods for estimating ultimate losses.

It is extremely important for each state, in considering its SPR formula, to look at the specific loss histories and attributes of its domestic companies, and perform an analysis of these companies' data...

2. An important consideration is the projection of large losses, especially when the total volume of data is small. Because large losses can distort loss development patterns, it is often desirable to project large and small losses separately. This was not done in the NAIC's methodology.
3. Two loss development methods (incurred and paid loss development) may be performed, with the results averaged to obtain a final result. Using multiple methods is preferable, since a single method will often yield a less stable result.
4. On the loss triangles, some of the most mature loss development factors were selected to be somewhat less than the raw data would indicate. This adjusts for the fact that the early evaluations of the older policy years are believed to contain incomplete loss data, which leads to inflated development factors. This should be taken into account by each

state when selecting ultimate loss projections.

5. At least three significant economic developments have occurred that many believe significantly distorted title insurance loss development in recent years:
 - a) The savings and loan crisis of the middle to late 1980s is thought to have influenced the high incidence of title insurance losses at that time.
 - b) The unusually high concentration of refinance activity in the early 1990s led to the elimination of some long-tailed liabilities from outstanding policy years; and transferred other liabilities from mature years to much more recent policy years.
 - c) The dramatic property value inflation of the early to mid-1980s may have caused significant loss cost inflation; this would translate into unusually high loss development, when tabulated in triangular form.
6. 240-to-ultimate factors were selected in the NAIC's triangles. These judgmental factors should be selected state-by-state, giving consideration to expectations for further emergence beyond 20 years.
7. The SPR is also intended to reflect a reasonable reserve for Unallocated Loss Adjustment Expense (ULAE). This reserve should reflect ULAE on both reported and unreported claims. In the NAIC's methodology, a 5% to 15% load is added to the reserve to provide for ULAE. Each state should review the data of its domestic title insurers, in order to determine a reasonable ULAE provision.
8. The NAIC report presents a range of reasonable SPR results that were calculated on a countrywide basis. Similar ranges can be calculated for any state that plans to revise its SPR provision. Several considerations should be contemplated when selecting an appropriate value from the state's range of reasonable results. Some of these are outlined below:
 - a) The total reserving methodology will include a Supplemental Reserve to ensure reserve adequacy when the SPR is too low. The method will not, however, provide any recourse for those companies for which the SPR is too high.
 - b) The state's mean indicated SPR value is not necessarily the most ap-

BACKPLANT SERVICES

Save time, effort and money by using SMS Backplant Services. Our specialists can build your plant "from scratch," research and create map edits or simply provide additional keying services for any computerized title plant.

WE PROVIDE:

- Land Title Expertise
- Personal Consultation
- Go-Forward Keying Guidelines
- Training & Support
- Off-site Back-up
- All Keying Done In U.S.
- Conversion From Any Media
- DMS Title Plant Software (optional)

By utilizing SMS Backplant Services, your personnel worries, extra hardware costs, and extra space requirements will be a thing of the past. You'll enjoy a combination of lower expenses, quicker searches and computer accuracy!

**No job is too big
or too small.
Call us...**

"The Backplant Experts"



800 767-7832 ext. 2266

appropriate selection for inclusion in the statute. Some precedent exists, for example, in selecting the *median* value. This would give more weight to the small companies in the state. Consideration of the median provision in the context of title insurance would therefore likely lead to a significantly lower SPR value than the mean, since small title insurers generally seem to have significantly lower historical loss ratios.

- c) Some states have several domestic title insurers and it may be difficult to establish SPR factors that are appropriate for all companies. SPR factors on the low end of the range would decrease the adverse impact on companies with favorable experience, while companies with poor experience would still be brought to a reasonable level of adequacy through the use of the Supplemental Reserve. This also places increased emphasis on the adequacy of the total reserve established in the statement of actuarial opinion.
9. Intrinsic characteristics of the states in which a company actually operates can affect reserve needs, regardless of the state of domicile. SPR needs are believed to vary by state of operations, because similar properties located in different states may have different expected losses; or losses may be slower to materialize or settle due to legal peculiarities in particular states.
10. Average premium rates vary considerably by state for several reasons.

First, the composition of "premium" varies by state. Agents' services can be broadly categorized as (a) search and examination, (b) closing and escrow. Premiums for these services vary by state, and even by company within state. In most cases, closing and escrow fees are not included as premium, but there are exceptions. If a company's average premiums are high because such non-risk-producing service charges are in the premium, then a correspondingly lower SPR factor may be warranted.

Similarly, title search and examination fees are considered premium (and required to be reported as such) in "all-inclusive" reporting states. In "risk rate" states, however, these items are excluded from premium. Such accounting differences lead to substantially different expected loss

ratios state by state.

Finally, average premiums in a state may be high due to difficult or complex land title exposures which could result in a more difficult title search and/or higher losses. If a company's average premiums are high because of high risk, then a *higher* SPR factor may be warranted. If, on the other hand, the average premiums are high due to unusually high expenses (for example, for the title search), then a lower SPR factor may be appropriate.

11. Each case must be carefully evaluated before a final decision is made. The governing consideration should usually be the long-term (10 or more years) expected loss ratio, relative to revenues (including title-related "other income"). If it is higher than the country-

Intrinsic characteristics of the states in which a company actually operates can affect reserve needs regardless of the state of domicile.

wide average, a higher SPR provision may be appropriate. If, on the other hand, it is below average, a lower provision may be indicated.

12. Reinsurance can have an impact on an insurer's SPR needs. Typically, reinsurance is a minor consideration for most title insurers' loss reserves, due to the rarity of a reinsurance recovery in this industry. Some insurers may, however, need special consideration, especially in those cases in which the premium (or liability) net of reinsurance is significantly different from the premium (or liability) expressed direct relative to reinsurance.

13.

Different reporting conventions and data problems arise. For example, the same real estate transaction could be recorded at a different amount of liability by different companies. A company that has a significantly different average premium may be simply using a reporting method that is different. Care should be taken to adjust for such differences to the extent feasible, before selecting a final SPR provision for the statute. ✎

Now... Solutions for a Changing [Escrow/Title] World.

Introducing...

TitleTools™

SUITE OF ESCROW/TITLE SOFTWARE FOR WINDOWS™

Now... Windows-based document preparation, closing/escrow accounting, title policy generation, integrated financial accounting, and document imaging... united in this suite of revolutionary software. Here's what you can get:

AIM® for Windows

This fully integrated, automated system for order entry, title issuance, closing, document preparation, escrow accounting, and management reporting is now available in a flexible, easy-to-use Microsoft® Windows™ based version.

- ▶ *Streamlines Title Procedures.* Automates and streamlines title procedures in a fast, efficient and accurate process.
- ▶ *Automatically Tracks Files.* Provides complete file tracking; maintains an index of all open files.
- ▶ *Incorporates Microsoft Word.®* Fully integrated into AIM for Windows, use Word® to create, view and edit all your documents.
- ▶ *Powerful Built-In Management and Auditing Reports.* Helps you monitor business processes and create customizable, flexible reports.

▶ *Flexible and Easy to Use.* This product can be easily customized to suit your requirements. Exceptionally easy to learn and use!

OpticalAccess™

OPTICALACCESS offers the latest in document imaging for the Real Estate industry. It can capture, store, index, and retrieve document images, allowing you to...

- ▶ Improve control, prevent expensive misfilings and document loss.
- ▶ Increase productivity and efficiency.
- ▶ Reduce file cabinet storage needs and office space.
- ▶ Immediately retrieve all of your documents.
- ▶ Have multiple operators access documents simultaneously.



First Data Systems, Inc. and the First Data Systems Logo are registered trademarks of First Data Systems, Inc. All other brands and products named are trademarks and registered by their respective companies

FinancialAccess™

Designed using the power of Windows 95 – a fully integrated general accounting system designed especially for the Title/Escrow industries. Accurately account for title work invoices and escrow checks. No more managing by intuition – manage with timely financial facts!

- ▶ Improve cash flow with customer statements.
- ▶ Maintain good banking references with timely financial statements.
- ▶ Reduce outside accounting costs.
- ▶ Manage more efficiently.

For a free Demo disk of the **TitleTools™** suite of Real Estate & Title Software, call toll-free

1-800-775-3134

You'll soon see why **TitleTools™** is right for your business.

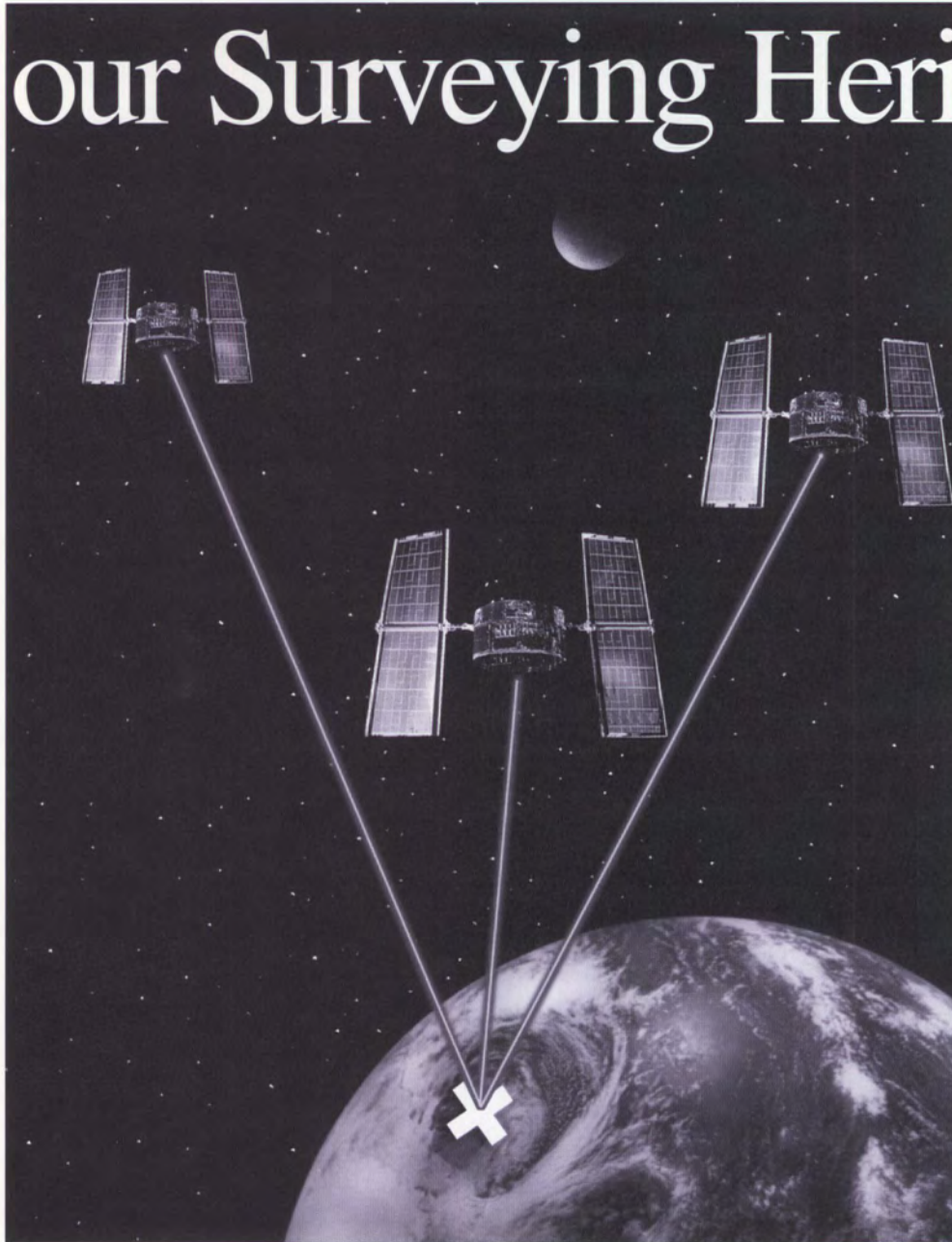


FIRST DATA SYSTEMS, INC.®

EXCELLENCE IN COMPUTER SOLUTIONS
1187 VULTEE BOULEVARD □ NASHVILLE, TN 37217

GPS

and our Surveying Heritage



By Mary C. Feindt

With the advent of Global Positioning System (GPS), measurement of our earth can be accomplished with astounding accuracy. This development is recognized by the American Congress on Surveying and Mapping, and by ALTA, as we strive to meaningfully bring that technology into our jointly adopted and long standing Minimum Standard Detail Requirements for Land Title Surveys.

Although GPS has introduced previously unimagined precision to land surveying, the benefit is not without problems. As physical evidence is precisely evaluated against the property descriptions in a chain of title, conflicts inevitably emerge with ground measurements made long ago by government surveyors in establishing true corners under the law.

What has resulted on some occasions is a cloud upon the integrity of an original subdivision of land, through subsequent surveys which do not adequately retrace the initial surveyor's work as documented in government field notes. This has been perplexing for surveyors who face a need to determine which current occupation and which prior resurveys properly reflect the locations of the original corners or the intent of the record documents.

As anyone close to the surveying profession knows, those first true corners have been of major importance since 1800, when Congress passed legislation stipulating they would prevail—even if subsequent surveys proved they were erroneously placed.

Over succeeding years, it became more and more of a challenge for surveyors to "follow in the footsteps" of the original surveyor, which made it necessary to be familiar with the laws, rules, equipment and procedures used at the time of initial measurement. Serious difficulties still can arise when a surveyor relies on modern electronic equipment in attempting to retrace lines originally run with magnetic compass and link style chain.

In situations where an improper public land corner has been established, complications associated with retracing the true location of the original government corner usually have compounded significantly over time, with a resulting plethora of erroneous legal descriptions and perplexing occupation.

Standards Need to Reflect GPS

Projected into all this is a need for the ALTA/ACSM Survey Standards to reflect the new dimension of GPS accuracy as the surveyor certifies compliance in providing a basis for title underwriters to insure real

By continuing to function as a team and by developing a thorough understanding of their mutual roles, surveyors and title professionals will succeed in modifying the Standards to bring the desired improvement...

property "without exceptions." This raises once again the old issue of whose duty it is to provide title evidence.

It is important for the title examiner to understand that the surveyor has the responsibility for researching previous surveys in the area. What about the road commission? The department of public works? The drainage district and the clerk of the court? The assessor and other county offices? And, besides the municipal records, the state and federal offices? Altogether, the surveyor has a formidable professional responsibility.

That brings us to the reliance of the title examiner on the surveyor. Does the surveyor's firm carry professional liability insurance? Does the surveyor responsible for the ALTA/ACSM survey have a thorough understanding of the laws? Does the surveyor present all the evidence so the examiner can make an informed judgment? Is it possible to identify the legal description of



The author chairs the ALTA Liaison Committee with the American Congress on Surveying and Mapping, and works as liaison representative between the two organizations. She has been

president of Charlevoix (MI) Abstract and Engineering Co., for over 50 years and is a licensed professional surveyor in the states of Michigan and Illinois. The author is a member of the Michigan State Survey and Remonumentation Commission, and has held the office of Charlevoix County surveyor for more than half a century. An Honorary Member of the American Congress on Surveying and Mapping, she is the first recipient of the Mary C. Feind Award for dedicated service, which was established by the Michigan Land Title Association. A former member of the ALTA Board of Governors, she also is a past president of MLTA.

the survey as identical to that already of record? Can the examiner rely solely upon a furnished survey drawing?

Some surveys are merely evidence of an individual surveyor's opinion. No laws have been (or could be) passed that define the evidence that should be relied upon for authenticating restored corners or fixing the location of lost or obliterated corners. The courts remain the authority for fixing disputed locations—but their decisions are binding only on parties to specific litigation. The courts cannot legally determine locations of the original government land corners.

Then, there are responsibilities for the title examiner. Does the examiner thoroughly research and understand questionable or ambiguous survey boundaries? Has the examiner given the surveyor copies of all historic records for the parcel and all abutting parcels, beginning with the original chain of title (which may assist in determining the intent of the original grantors)?

Conflicting Legislation, Rulings

An assortment of conflicting legislation and court rulings has created no small amount of confusion among examiners, surveyors and others over an amalgamation of ambiguous possession rights and deed provisions. Surveyors often make decisions regardless of the location set by government pattern, when perhaps it would be preferable to depict only existing conflicts and problems.

With all this at hand, title professionals must remember that it remains of primary importance to employ a surveyor with the exceptional ability to analyze a precise location, or map a questionable area, with an understanding that the lines of possession may not be in accordance with earlier surveys.

Identifying potential disputes and trouble spots as denoted on the ALTA/ACSM Survey is of great importance here.

Early in my career, one of the surveyors I worked with was known for driving a stake wherever he thought a section corner should be located. His methodology extends to my home town, where the parcel divisions have been established with ties to a corner staked at random by this individual. Everyone in the area seems to have been satisfied with it. With the remonumentation plan recently implemented in Michigan, this may be about to change.

Since the beginning, when the word,

continued on page 31



Convention *Los Angeles*

It was all there, wrapped in a glittering ambiance befitting the world capital of the film industry. Discussion of leading issues ranging from the election outlook to controlled business and joint ventures. Educational sessions including those focused on electronic commerce, emerging title customer needs and avoidance of nightmare experiences at the closing table. This and considerably more awaited ALTA members who journeyed to Los Angeles for the Association's 1996 Annual Convention.

Program coverage ranged from analyzing the technical to practical insight suitable for on the job application. Witness as examples the discussion by lender and title underwriter counsel on new directions in loan documents and title policy endorsements. Contrasted with the sessions on overcoming computer fear and on title advertising.

Amid becoming up to date and collecting practical knowledge, there was ample opportunity for enjoyment during visits to Hollywood film studios, Rodeo Drive, a famous nightclub and historic sites. Speaker names like David Gergen of *U.S. News and World Report*, former *Newsweek* White House Correspondent Tom DeFrank and cutting edge management authority Nancy Austin were sprinkled among those more familiar to the industry. And there were glimpses during social events of presences shaping the legend of Hollywood. (Could that have been Marilyn Monroe? Clark Gable? Humphrey Bogart?)

As these photographs by Ken Abbinante attest, Convention Los Angeles offered a fully enriching and enjoyable experience. The adventure was one to be long remembered among highlights of any title career.



Top left, from left to right, Ken Lingenfelter, Sheldon Hochberg and Jim Kletke discuss joint ventures.

Below, from left, are ALTA Underwriter Section Chairman Charlie Foster, President-Elect Malcolm Morris and Abstracter-Agent Section Chairman Joe Parker.



Bottom left, from left, California's Larry Green and Dan Dozer of Ohio lead a presentation during the Affiliated Title Association Seminar, immediately below.



Above, even heavy drama can break up the cast during a performance, as is demonstrated by the *Closing from Hell* group. From left, Judy Lehman, Peter Norden, Jerry Fallor, Herschel Beard, ALTA Finance Committee Chair Cara Detring, Isidore Teitelbaum and Dennis Satriani.



Dorothy Dozier finds some cool refreshment during a warm Los Angeles tour.



1996-97 ALTA President Dan Wentzel, center, and *The Wall Street Journal's* Walter Mossberg are fascinated by a tale from *Newsweek's* Tom DeFrank, right.





Left, guest speaker Nancy Austin with 1995-96 ALTA President Herb Wender.



Right, Association Treasurer Hal Piiskaln, left, is shown with ALTA Public Relations Committee Chairman John Bell.



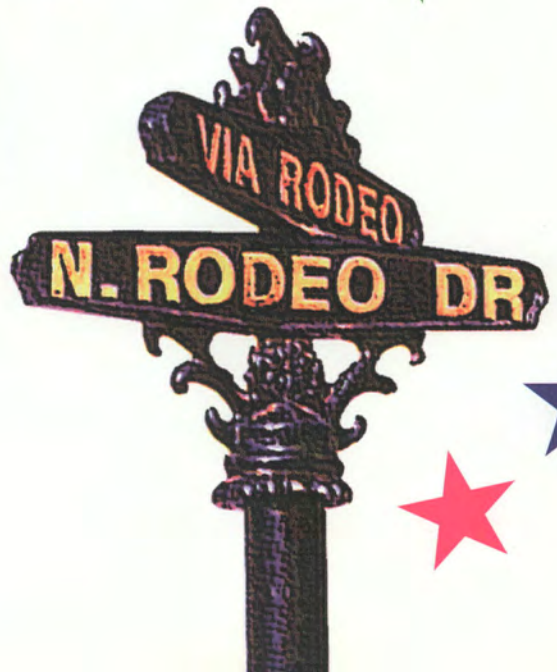
Sue Ackleson obviously has dreams of opening up that racer on a stretch of New Mexico highway. Collecting and restoring classic cars long has been a passion among those who call Southern California home.



Above, title industry electronic commerce and MERS are in this conversation involving Dan McLaughlin of the electronic mortgage registry (right) and David Tandy (left) and Fred Hemphill of the ALTA Land Title Systems Committee.



Left, directing questions to the speakers added depth to the program.





Right, Penny Wender receives a token of appreciation from new president Dan Wentzel, in recognition for her many contributions as ALTA first lady in the past year.



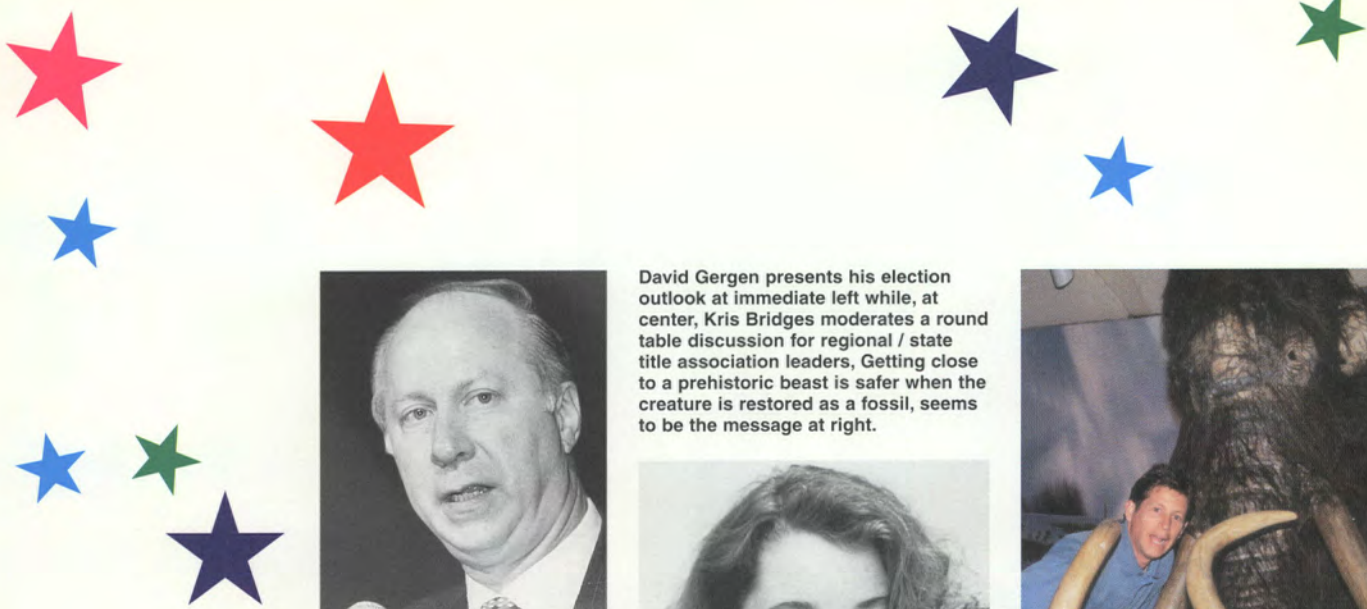
Above, someone with a striking resemblance to a Hollywood legend draws undivided attention.



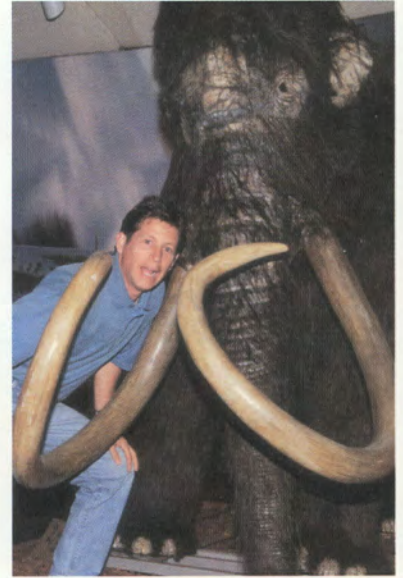
Below, Kenneth Jannen makes a point while, at left, someone needs to ask Marie Bensch whether that is Indiana Jones or a North Dakota title agent.



Counsel heading discussion in the lower photograph are, from left, John Murray, Gary York, Alan Robin and Larry Scofield.



David Gergen presents his election outlook at immediate left while, at center, Kris Bridges moderates a round table discussion for regional / state title association leaders, Getting close to a prehistoric beast is safer when the creature is restored as a fossil, seems to be the message at right.



Paul Sakreoff and wife Dianne find the Convention Banquet dancing agreeable.

There's nothing like a world famous landmark — the Chinese Theater — to make it clear you really are in Hollywood, as is in evidence at the right.





Left, newly installed ALTA governors shown here are, from left, Hal Piiskaln, Malcolm Morris, Herb Wender, Cara Detring, Charlie Foster, Joe Parker, Stanley Friedlander, Dan Wentzel.



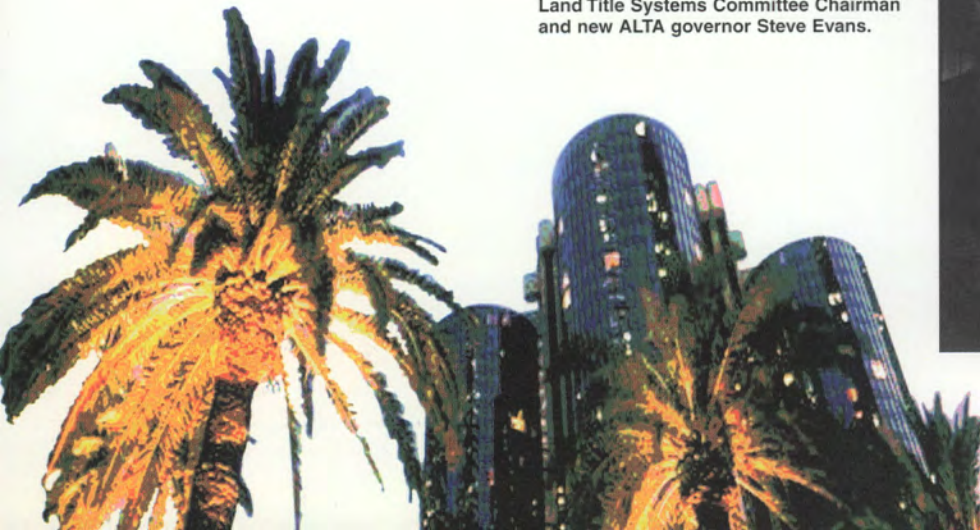
Right, Lou Meyer accepts the TIPAC most improved state performance award from Chairman Mike Wille, left, on behalf of Trustee Joe Petrucci.



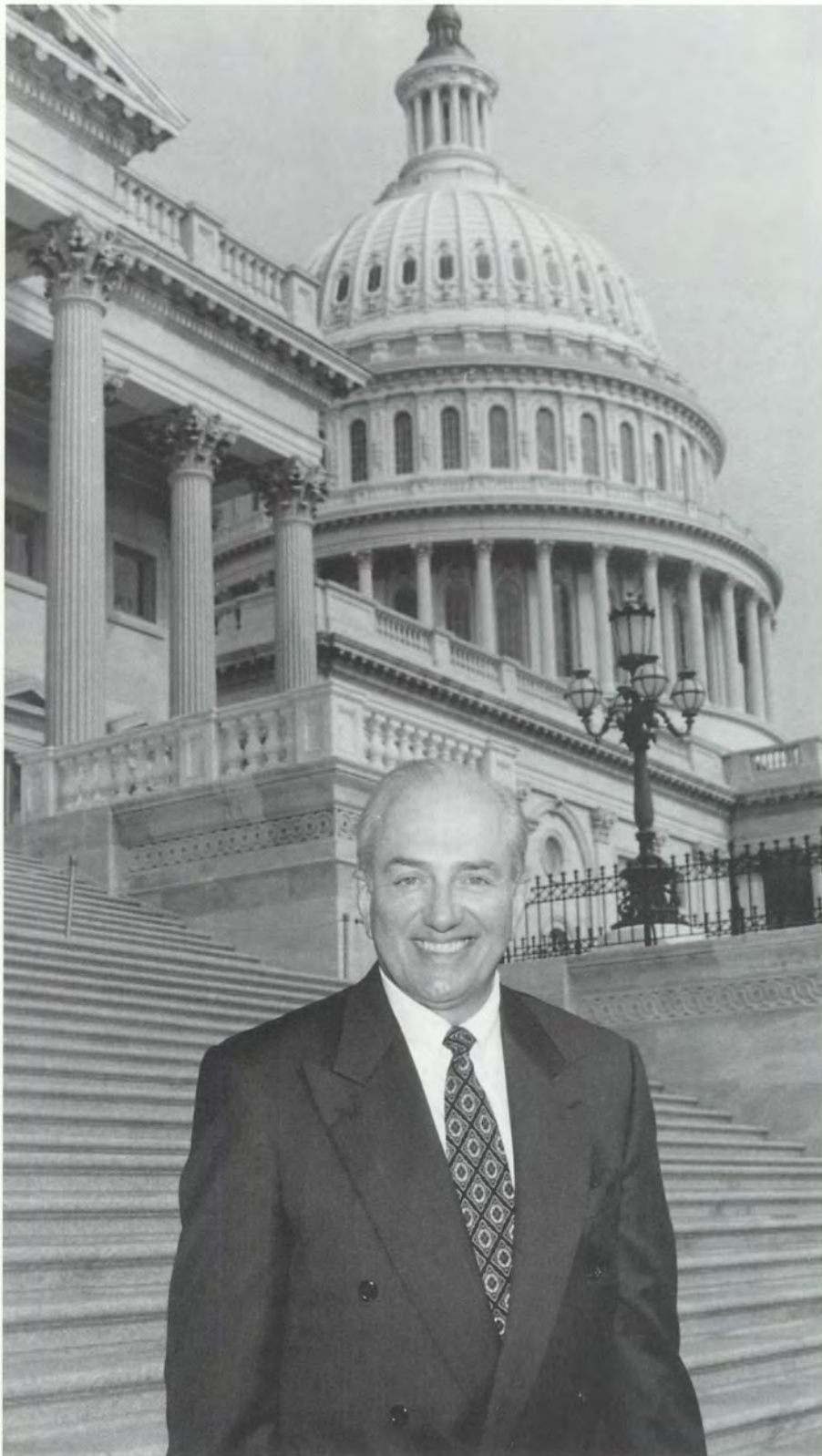
Dancers with the band performing at the Annual Banquet decided to mix it up with Convention attendees as swinging music rocked the room. As is apparent, the results were dynamite!



Right, in a more subdued setting, are Committee Electronic Commerce Subcommittee Chair Pete Nichols, left, and Land Title Systems Committee Chairman and new ALTA governor Steve Evans.



Presidential Profile: Dan Wentzel



As the new century begins, a casual observer may not be aware of any recognizable change if asked to externally compare the title industry with 1996. But, to those familiar with inner workings of the business, there may well be some dramatic differences.

This view of the future was presented by 1996-97 ALTA President Dan Wentzel in a special *Title News* interview shortly before his installation at the time of the Association's 1996 Annual Convention. Dan, who is chairman and CEO for North American Title Company, Inc., Walnut Creek, CA, won industry-wide admiration for his leadership in Congressional lobbying and the Title Industry Political Action Committee before being elected ALTA Abstractor-Agent Section chairman on his way to the Association presidency.

As Dan encounters the challenges of his presidential year, he and his wife, Gloria, expect to find the accompanying visits with old friends and making of new acquaintances a great experience.

"Gloria and I enjoy travel," he said. "We really are looking forward to the places we will visit and the friends we meet as part of our ALTA representation."

Although not expected to depart from its familiar basic identity, the industry entering the new century, as seen by the new ALTA president, will be shaped by advances in communications software and networking that allow transmission of a growing array of data between title companies and customers; progress in digital electronic document recording allowing more efficient retrieval of title information, and ongoing consolidation among the industry's principal customer groups.

On the latter point, he looks for regional brokerage operations to become much more closely integrated than present day basic franchise operations - while consolidations among those who originate mort-

gage loans reduce the absolute number of funding lenders. In addition, larger brokerage operations, residential developers, and other specialized settlement service providers are expected to continue experimenting with different forms of controlled business title operations.

Looking back over a career that began in 1962 with Puget Sound Title Insurance Company in Seattle while he was a student at the University of Washington, Dan envisions some major changes as likely in what is now recognized as the agency side of the business. Influencing factors will include the type of market served (big city, mid-market, recreational property, rural/agricultural, etc.), as well as development of state licensing laws and access to information including such barriers to entry as patent-to-date title plant requirements.

Besides Washington, Dan has worked in Florida before moving to California and es-

Although underwriter and abstractor-agent members have many common goals where joint effort ...is greatly beneficial, it is especially important to accept the reality of what cannot be changed....

establishing North American Title in 1983. In addition to serving as a member of the ALTA Board of Governors, he is a past president of the California Land Title Association. He, his wife, and their two children reside in Danville, CA.

The ALTA president considers the outlook as generally not promising for enactment by state legislatures of controlled business, licensing or title plant laws- or other "barrier to entry" initiatives. He feels that states which already have developed a comprehensive body of title agency licensing law are in the best position to avert negative impact from controlled business agencies or joint ventures.

State Regulatory Push

Dan looks for continued momentum toward strengthening title insurance regulation in individual states, largely because of interest within the National Association of Insurance Commissioners that has been fo-

President Wentzel and wife Gloria enjoy travel, and are looking forward to visits with old friends and the making of new acquaintances during their ALTA representation trips around the country during his term of office.



The new ALTA president finds welcome relaxation on ocean fishing trips to the Pacific Northwest. In Capitol Hill visits, he talks with House Housing Subcommittee Chairman Rick Lazio (R-NY) (top photograph) and, in the other photograph, House Banking Committee Chairman Jim Leach (R-IA).



President Wentzel talks with Joe Parker, left, and Charlie Foster, respective chairmen of the Abstractor-Agent and Underwriter Sections, during the ALTA 1996 Annual Conven-

Did You Forget?...

Escrow Reports Accounting Utilities Quit Browse

SCHEDULED/UNCOMPLETED ITEMS FROM 03/23/95 TO 03/24/95 FOR RB

Asgn	Due Date	Time	Action	Cmnt	Br	Order#	Cmplt	By
RB	03/23/95		Policies Due	memo	01	95-00003	/ /	
RB	03/23/95		Receive Survey	memo	01	95-00004	02/24/95	RB
RB	03/23/95		Receive Survey	memo	01	95-00005	02/24/95	RB
RB	03/23/95		Receive Survey	memo	01	95-00006		
RB	03/23/95		Order Survey	memo	01	95-00014		
RB	03/23/95		Order Tax Cert.	memo	01	95-00014		
RB	03/23/95		Receive Survey	memo	01	95-00007		
RB	03/23/95		Receive Survey	memo	01	95-00008	01	
RB	03/23/95		Commitment Due	memo		95-00001		
RB	03/24/95	08:30am	Closing Room 2	memo	01	95-00004		
RB	03/24/95	09:30am	Closing Room 1	memo	01	95-00005		
RB	03/24/95	01:00pm	Closing Room 1	memo	01	95-00007		
RB	03/24/95	03:00pm	Closing Room 3	memo	01	95-00008		

F8 Completed F9 Edit.

INFORMATION CENTER

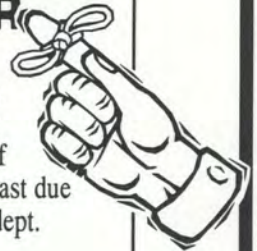
Tickler System

- automatic scheduling
- user definable events
- automatic reminder of events due today or past due
- events assignable to dept.

or user

Message Center

- record messages/notes for file or user
- alerts user of new messages



INFORMATION CENTER

...Title Solutions™ won't let you forget!

ESCROW CLOSING
Featuring:
On-Screen HUD-1

ESCROW DOCUMENTS
Featuring:
Laser Printing

TITLE INSURANCE
Featuring:
Commitment/Policies

MANAGEMENT REPORTS
Featuring:
Source of Business Report

ESCROW ACCOUNTING
Featuring:
3-Way Bank Reconciliation

IRS 1099-S REPORTING
Featuring:
Magnetic Media Reports

FREE EVALUATION: Call today and receive a no obligation, no cost 60-day evaluation of the complete Title Solutions™ software system with 1-800 telephone support.

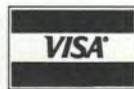
Base Escrow Closing or Title Insurance System starting at **\$995**

Discount available with upgrade from competitive product*



TITLE SOLUTIONS™

Call today to take a FREE test drive!
1-800-836-9787



cused on agency licensing issues and the absence of a strong state regulatory framework. He expressed surprise, but not disappointment, in an apparent lack of interest among states in implementing the recently approved respective NAIC model acts for title agents and title insurers, which were developed with significant input from ALTA and others in the title industry.

Controlled business will continue to present a major threat to the agency side of the title business, in the opinion of the president, creating a great deal more concern than among title underwriters. Technology, consolidation and demographics clearly have brought a profit squeeze to many different parts of the land transfer system, driving many title customers to perceive title insurance as one of the few remaining additions available to their profit stream.

Still an unknown, in Dan's assessment, is how successful many of the controlled title agency ventures now starting up will be over time.

"The title business is a 'hands on', management-intensive enterprise requiring a group of very skilled people working closely together in a teamwork environment—with a lot of care and concern about basic issues such as product quality, and the safety and security of customer funds," he said. "Whether highly trained and motivated personnel will be content to work in an essentially 'frozen' business environment over a long period of time remains to be seen".

If RESPA's core title services rule is abandoned by HUD, Dan would look for controlled business title agencies to become much easier to manage, with personnel issues less significant.

Regardless of the RESPA outcome, he expects some disappointment with controlled business experiments as the industry heads toward the year 2000.

"The reality in how prevalent controlled business operations become is linked at least in part to the profit margins in any given market," the ALTA president remarked. "For example, if you are operating in a market where builder 'special project rates' are covering costs at best, the number of controlled business competitors will be limited. Absent significant profit opportunities, prospective controlled business players may not feel the rewards are worth the hazards inherent in operating a complex business over a long period of time."

ALTA: Facing Reality

Although ALTA underwriter and abstractor-agent members have many com-

mon goals where joint effort through the Association is greatly beneficial, it is equally important to accept the reality of what cannot be changed, Dan adds. One leading example is inherent in realizing that agents and underwriters always will have different perspectives on controlled business—and will focus primarily on developing different business structures that best serve their respective interests.

Moving into his presidency, Dan recalled comments that he presented in earlier editions of *Title News* about the priority functions of ALTA, which he said should include providing a forum for communication on a wide variety of issues, a platform for partnership development, a display case for new products and services, and an education/training resource.

Added to what he sees as the Association's principal role—serving as the title industry representative on national legislative

"If you are an active abstractor or agent in our industry today, I cannot imagine why you are not an active participant in ALTA...."

and regulatory issues—these provide a good indicator for the direction ALTA should be following, he said. Reinforcing his view, he observed, is the embodiment of this direction in the Mission Statement for the Association Strategic Plan approved earlier this year by the Board of Governors.

Among the priorities covered as the Strategic Plan is implemented, Dan expressed particular interest in seeing that ALTA continues as a strong resource in the areas of education/training and technology. Extending the technological envelope is a particular interest directed toward keeping ALTA in the forefront of developments, perhaps beginning with a basic step such as a videoconferenced Board of Governors meeting.

In addition, Dan would like to see an improved ALTA working relationship with Fannie Mae and Freddie Mac, and plans to emphasize better communication with the secondary mortgage market giants.

Needed: More Agent Involvement

An ongoing concern expressed by the new president is the need for a widened

base of title agent participation in ALTA.

"If you are an active abstractor or agent in our industry today, I cannot imagine why you are not an active participant in ALTA, including membership support and TIPAC contributions," he said. "There is virtually no other organization that currently exists, representing title industry concerns at a national level, from either a legislative or regulatory perspective. I am tremendously excited about how effective ALTA's legislative and lobbying efforts have become over these past few years, yet I believe we still have the ability to increase our presence and visibility on Capitol Hill. For that to happen, however, we will need additional resources, including both a strengthened TIPAC fund-raising effort and additional lobbying support."

In assuming his presidency, Dan expressed the hope and belief that, as recognition grows for ALTA success in achieving federal legislative objectives, more abstractors and agents will become involved in the lobbying process as they realize the Association indeed is making a difference.

"This makes critical the need for communicating ALTA legislative/lobbying goals through print and electronic media," he commented. "We must also adopt legislative and regulatory policies and positions on key issues that reflect the reality of the present competitive environment—yet are as balanced as possible in terms of the views of the two ALTA Sections."


Dan acknowledges a lifelong interest in politics, and still enjoys TIPAC activity following his service as chairman of the political action body.

"I originally agreed to accept the chairmanship of TIPAC because I believed our fund-raising efforts could be taken up to another level," he said. "We have made some progress, but still have lots of growth potential. I keep thinking that, if we could receive just a \$10 contribution from each person employed in the title industry, including Associate members and attorney-agents, we would likely be able to raise many times more than TIPAC's 1996 goal of \$100,000 for supporting the campaigns of Congressional candidates who warrant the backing of our industry."

Among his ongoing concerns is how the title industry could be effectively represented in the halls of Congress if PAC funding was eliminated.

"One of the unique things about PACs is that they provide a vehicle for people with common interests to collectively support candidates for public office who share

continued on page 32



Finally...
Powerful and
Affordable
Title Insurance
Document
Imaging.

Introducing TitleSCAN *Image*, the complete document imaging solution from the nation's leader in title insurance software. Fast, affordable, expandable, and available now.

TitleSCAN *Image* is designed to tackle the document volumes that title companies face and do it at a price that makes sense. You can scan your backfiles, the daily take-off, or anything else that is eating up floor space, file cabinets, and time. Use a single PC or image-enable your entire network.

Call us today and put your files on your desktop where they belong!

TitleSCAN
1-800-44-TSCAN

TitleSCAN Systems
A Division of the Paxon Corporation
923 Country Club Road
Eugene, Oregon 97401

New Slide Show Emphasizes Quality, Value of Full Title Insurance Coverage

Responding to the increased need for a general public and marketplace message emphasizing the superior quality and value of full title insurance coverage, ALTA has produced a versatile, 20-minute color slide presentation suitable for nationwide adaptation.

Entitled, "Why Title Insurance?," the slide show actually is the third phase of a tactical communications plan to counter public misunderstanding that was implemented this year through the Association Public Relations Committee and staff.

In the spring, a "Why Title Insurance?" quick-read folder was placed in use as an ALTA activity that included offering for sale at \$15.00 per 100 copies. Subsequently, thousands have been ordered by Association members for individual purposes.

Shortly afterward, two newspaper educational feature releases describing actual title insurance case histories and offering the aforementioned folder to requesting consumers were distributed nationally under the heading, "Why Title Insurance?" By the fall, each newspaper release had generated well over 500 placements in 25 states—in publications with a combined readership approaching 100 million.

The basic slide show consists of 59 loose, 35 mm slides and an accompanying master script that will accommodate adaptation to better cover the specifics of a local title situation. Changes in the slides and script can be made at will, including the substitution of more locally-oriented visuals.

Another format in which the slide presentation is available is optical disk.

Both versions have been offered to ALTA-affiliated regional and state title associations, for providing to their membership on a lending library basis. In the near future, the slide show also will be available for individual purchase.

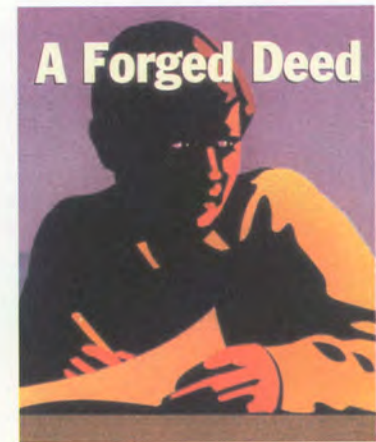
Visual Elements Reinforce

Providing the central visual element in

the show is a free standing home, which at times is transformed into a graphic to reinforce messages such as the point that ownership can be curtailed by rights and claims that others may assert. Different illustrative elements are used with the home, such as the roof sagging under a large bag of money

representing what is due because of a tax lien, a backhoe digging up the yard as a utility easement is exercised, and the purchaser being jolted by an unexpected claim from a previously undisclosed relative of a previous owner.

There is a segment on title searching,



ALTA's new slide show features a home, emphasizes full title insurance attributes.



"MY PEOPLE ARE ON THE BALL. THEY DON'T NEED CLOSING SOFTWARE."



If you're still tied down to doing real estate closings manually, then ProForm automated closing software is your ticket to freedom.

You enter the data only once, and ProForm does all the calculations automatically and generates the closing documents, including the HUD-1, Disbursements Summary, checks and more. You can also add any of your own documents such as notes, mortgages and deeds using the WordPerfect integration feature and ProScan, SoftPro's optional document imaging program.

ProForm is easy to learn and use, with expert support only a phone call away.

The price of freedom is only \$995 (for one ProForm license). To receive more information and a free demo disk, call SoftPro today at 1-800-848-0143.

SoftPro
CORPORATION

and the nationwide preference for title insurance over search/examination that emerged among lenders as the secondary mortgage market developed. Basic descriptions of lender's and owner's title insurance are included, along with a reminder that title insurance emphasizes risk elimination before insuring.

Instruments that do not clearly pass title and frequently are found in a search receive mention, specific examples being deeds, wills and trusts with improper vesting, incorrect names, outstanding mortgages, judgments, tax liens, easements and incorrect notary assignments. It is pointed out that instruments such as these need to be corrected before a clear title can be conveyed.

The presentation also notes that, in spite of all the expertise and dedication that go into a search and examination, hidden title hazards can and do emerge after completion of a real estate purchase.

After presenting some examples of hidden title hazards, the script goes on to set forth how title insurance covers rights in real property: negotiation with whomever is making an adverse claim; payment for defending the title in court; payment for loss by the insured. Viewers are reminded that full title insurance coverage protects against loss or damage in the event the title-or the validity and priority of the mortgage lien on that title-are not as described in the title policy.

There is a reminder that lenders consider title insurance an important addition to the opinion of title normally furnished by a professional. An attorney, it is pointed out, can give an *opinion* only-while the title company *insures* the title. And, the presentation adds, lenders consider title insurance important because it makes a mortgage more marketable in the secondary mortgage market.

In a subsequent part, the slide show reminds that questions can arise to cast doubt on a title during a real estate purchase-which can create uncertainty that may discourage a buyer from closing or prevent lender approval of a mortgage loan. The presentation goes on to say that the title insurer often is able to insure over such troubling questions, so there is protection in case the title later is determined to be unmarketable-helping the buyer and lender proceed because they know their interests are secure.

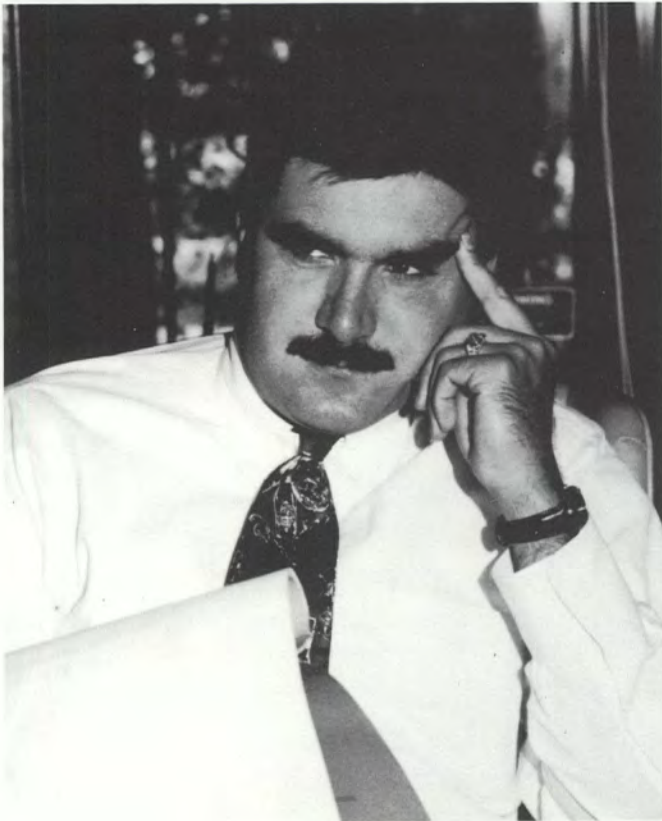
As the presentation nears its completion, three actual land title case histories are presented in summary form before viewers are reminded that the best time to learn about protecting ownership and investment is *before* a transaction. 🐾

“To err is human...
To omit is human, too.”

TitlePac[®]

Errors & Omissions Specialists

I Missed *WHAT?*



*We cover your
professional needs.*

- E & O Coverage**

- Surety Bonds**

- Group E & O**
Title Insurance Companies
State Title Associations

- Fidelity Coverage**

- D&O Coverage**

**Toll Free
800-331-9759**

**FAX
918-683-6842**



In a perfect world,
you wouldn't need us.

In a perfect world, every transaction would go smoothly. Communication would be reliable, and management would be effortless.

Because the business world rarely turns perfectly, Advanced Escrow & Title Systems (AET) is here to serve you. Offering the industry's most comprehensive software—as well as the most responsive support team—AET helps ensure that the software system you purchase today will give you a competitive edge in meeting the needs of tomorrow.

Escrow and title leaders across the nation have come to rely on AET for reliable software with advanced features and benefits. Now, AET has become a valued resource for technical transition management.

To put your business *worlds* above the rest, we have the perfect solution: call 1-800-877-7667 today, and order your free copy of the AET product video.



**advanced escrow
and title systems, inc.**

Linda@aets.mhs.compuserve.com

NAMES IN THE NEWS



Gidney



Shadoan



Jones



Selby

Lane Gidney, president and state manager, First American Title Company of Utah, has been named a regional vice president for the parent company. **Harry B. Shadoan** has joined First American's Baltimore office as counsel.

Cheryl A. Jones has been promoted to senior vice president—corporate personnel, Old Republic National Title Insurance Company, Minneapolis.

Jerry J. Hanson has been appointed executive vice president, Charter Title Corporation, Mill Creek, WA, and has assumed responsibility for the company's Snohomish County operations. **Jerry Guerino** has been elected vice president and counsel of the organization.

Jeffrey C. Selby has been appointed senior vice president and national account manager, Commonwealth Land Title Insurance Company and Transnation Title Insurance Company, Philadelphia. **John M. Obzud** now is senior vice president and middle Atlantic regional manager for the companies, with offices in Baltimore.

Dennis J. Vendetti has been promoted to vice president and Washington, DC, metro area manager for Commonwealth, with offices in Rockville, MD. Appointed Commonwealth vice president and county manager at West Palm Beach, FL, is **Mary Pia Kastrenakes**.

Shirley A. Benjamin has joined Transnation Title as vice president and



**Searching For
Premium Savings On Your
Errors & Omissions
Insurance?**

PLUS
**0% INTEREST
PREMIUM FINANCING!**

- CLAIM-FREE PREMIUM CREDITS
- RETROACTIVE COVERAGE AVAILABLE
- LOSS PREVENTION SUPPORT SERVICES
Risk Management Manual • Quarterly Newsletter
- TAILOR YOUR PREMIUM – COVERAGE \$100,000 TO \$500,000 – FOUR DEDUCTIBLE OPTIONS



NORTH AMERICAN TITLE ORGANIZATION
1-800-992-9652

210 University Drive • Suite 900 • Coral Springs, FL 33071

Wolff Becomes President of ILTA

Dale P. Wolff, Effingham Title Company, has been installed as president of the Illinois Land Title Association for the coming year during the organization's annual convention.

Other new officers: L. Chadwick Nash, Old Republic National Title Insurance Company, first vice president; Daniel D. Mennenoh, H. B. Wilkinson Title Company, second vice president; Peggy A. Stilwell, Community Title & Escrow, Inc., secretary; John F. Swiech, H. B. Wilkinson Company, treasurer.

Newly elected board members are J. Kent Loosemore, Tigor Title Insurance Company, and Gregory Bembinster, Land Title Group, Inc. Douglas E. Williams is a newly elected Finance Committee member.

President's Awards for outstanding leadership and dedication provided for ILTA were presented by Laurie A. Spear, who completed her presidential term at the convention. Recipients are Nash; Ron Otto, Tigor Title; Richard Bales, Chicago Title Insurance Company; John Foster, Fidelity National Title Insurance Company, and Greg Miely, Attorneys' Title Guaranty Fund.



Obzud



Vendetti



Kastrenakes



Benjamin



Schmelzer



Warner



Ayers



Gallinghouse



Booth



Frentzos



Spezialetti



Bare

Investment Firm For First American

The First American Financial Corporation, parent of First American Title Insurance Company, has announced the formation of a new, wholly owned subsidiary, First American Capital Management, Inc., an SEC-registered investment firm with headquarters in Newport Beach, CA.

According to the announcement, the new company evolved from the investment division of First American Trust Company, a Southern California based subsidiary specializing in personal, employee benefit and real estate related trusts. Capital Management has managed assets through the Trust Company's investment division for over 35 years; the Capital Management investment management staff is made up of former portfolio managers of the Trust Company investment division.

Capital Management was formed to manage a family of proprietary mutual funds, called the First Choice Funds, in addition to continuing and expanding its individual investment management activities, according to William C. Conrad, president and chief executive officer.



Link



Reilly

branch operations manager, Phoenix, and **Ron Murray** is the company's new vice president and county manager, Steamboat Springs, CO.

Robert A. Schmelzer has been promoted to assistant vice president and state counsel for Commonwealth, Bloomington, MN. In the company's Pittsburgh office, **Clara M. Warner** has been promoted to assistant vice president and continues as a closing officer, while **Patricia L. Ayers** is the new commercial manager.

Lawyers Title Insurance Corporation has announced the appointment of **Scott P. Gallinghouse** as senior title attorney, New Orleans area office, and of

Jerry C. Booth, Jr., as counsel, National Division office, Richmond, VA. **Thomas J. Frentzos** has been named vice president—western Pennsylvania area agency manager, Pittsburgh, and **Robert T. Spezialetti** is now vice president—eastern Pennsylvania agency manager, Lancaster.

Andree P. Bare has been appointed manager of the Lawyers Title branch in Fairfax, VA, and **Carol M. Link** has been named title attorney for the company's subsidiary, Lawyers Title of North Carolina, with offices in Charlotte. **John E. Reilly, Jr.**, has been named manager for the newly opened Lawyers Title office in Wilmington, DE, and **Carole C. Sawdon** is now account executive in the company's National Division office, Boston.

First Land Title Company, Fort Wayne, IN, has promoted **Jeffrey S. Harlan** to vice president and counsel, and **Chris P. Alexander** to vice president.

Rachel Gaitten has been appointed office manager for AmeriTitle, Mill Run, OH.

Ownership Rate Increase Continues

Figures released by the Census Bureau show the national home ownership rate increased to 65.6 percent during the third quarter of 1996- the tenth consecutive quarter without a drop in the rate for the longest uninterrupted expansion in 30 years.

An initiative announced by President Clinton has targeted an increase in the rate to an all-time high of 67.5 percent by the year 2000. ALTA is supporting the initiative through membership in the National Partners for Home Ownership, a voluntary group of 56 private and public entities.

Rau New President Of Chicago Title

John Rau, formerly president and chief executive officer of LaSalle National Bank, has been elected president and chief executive officer of Chicago Title and Trust Company and Chicago Title Insurance Company, effective January 1, 1997.

Rau replaces Richard L. Pollay, who retires at year end after 40 years with Chicago Title; Pollay will retain membership on the combined boards of directors of the companies and represent them in industry affairs.

GPS

continued from page 13

"survey," was derived from the French, meaning, "to look over," the process has meant evaluating a parcel of land to determine its physical limits. Surveyors have been called upon to map the area influenced by a land description, and weigh the apparent validity of the record dimensions of a parcel against the resultant ground measurements while simultaneously considering the ramifications to all adjoining parcels. And this while making a professional analysis of the full evidence left by our forefathers.

None of the above can be ignored as ACSM and ALTA work to bring the Survey Standards into line with the GPS breakthrough. By continuing to function as a team and by developing a thorough understanding of their mutual roles, surveyors and title professionals will succeed in modifying the Standards to bring the desired improvement in technical accuracy without sacrificing the quality of title evidence that is so critical in the market. 🐾

Ohio Bar Title Insurance Company

- ◆ **Offices in Columbus, Cleveland and Dayton**
- ◆ **Commercial Division**
- ◆ **Residential Closing and Escrow subsidiary**
- ◆ **OBT Exchange Corporation subsidiary**
- ◆ **A' (A Prime) *Unsurpassed* Financial Stability Rating®**
- ◆ **Continuing Insurance Education Division**



Ohio Bar Title

The Growth Company in Title Insurancesm

Corporate Headquarters: 341 S. Third Street • Columbus, Ohio 43215
(614) 221-1401 • (800) 628-4853

WENTZEL

continued from page 23

their views," the ALTA president commented. "I like the idea of campaign reform, but if this means only the elimination of PAC funding, the end result will be that 'botique' industries like the title business will suffer."

Despite his affinity for politics, Dan has no interest in running for public office personally. He admits to an interest in the possibility of being directly involved in the legislative process, although he would look for it to be frustrating.

"A typical member of Congress spends a great deal of time on campaign fund raising activity which, from my perspective, eliminates the attraction of the job," he said. "As I watch our local members of Congress work endless fund raisers, rallies, picnics, barbecues, phone banks and the like--chasing dollars every free minute--I can't help but think there must be a better way."

Industry Still A People Business

Looking back on his early years in the industry, when he took a job hand posting tract books to help meet college expenses and later rose to the position of title examiner, Dan finds title work still is a people business.

"A successful title manager in the 90s still must have strong people skills--including a core education in equal opportunity, sexual discrimination and sexual harassment issues," he remarked. "I don't believe the 90s have created a demand for a different kind of title manager. If anything, the period in which we find ourselves has reinforced the need for good basic skills directed toward managing the office of tomorrow."

"Current management issues are centered on the practical implementation of new technology--i.e., electronic data interchange, imaging, recording, and so forth," he continued. "The 90s manager still needs a solid


foundation in the production side of the business, in order to understand how to electronically share title data with customers."

Early in his career, Dan recalls taking an extensive series of management training classes at what then was known as the Northwest Management Training Center in Seattle. He found those sessions quite helpful at an important stage of his development, and would like to see ALTA or its Land Title Institute explore the offering of a training facility for emerging title managers.

In those beginning days in Seattle, Dan especially remembers the help and guidance of Vern Arnold, his first county manager and the mentor who taught him to examine titles, and of Bob Brine, his underwriter regional manager and his original partner in Pioneer Title of California, predecessor to the present North American Title Company.

"I remember Vern telling me that he wished we were called an 'assurance' company rather than an insurance company, given the risk preventive nature of our business," the ALTA president said. "We were constantly experimenting with different examining techniques in the search to be both fast and accurate."

Dan added: "Bob Brine was a CPA by training and the best pure business man I have ever had the privilege of being associated with."

Bob Brine structured the original transaction during which North American Title was formed, which was followed by a merger with American Title Company in Southern California some five years later, a move which expanded North American representation to all markets in the state. The company also is represented through affiliated organizations in Phoenix and Denver, and is in a "captured" insurer relationship with First American Title Insurance Company. 

YOU MAY BE WEALTHIER THAN YOU THINK!

Ownership of a title company often includes: *possession of valuable records, an investment in an inventory of open orders, reputation, a developed staff, relationships with insurers, control of risks, a market-share niche, generous compensation and benefits, plus an earnings history. The market value of assets is frequently understated.*

Call today to learn how to determine your real worth.

CORPORATE DEVELOPMENT SERVICES, INC.

Lawrence E. Kirwin, Esq., Accredited Senior Appraiser
American Society of Appraisers

996 Old Eagle School Road, Suite 1112

Wayne, PA 19087-1806

(800) 296-1540

Fax (610) 688-5174

Member: American, California, Ohio, Pennsylvania and Virginia
Land Title Associations

Two Are Honored In New Jersey

Two title women have been designated Certified Title Professional by the New Jersey Land Title Association, according to Joseph A. Grabas, chairman of the organization's Professional Designation Committee.

They are Nancy L. Koch, vice president, Transnation Title Insurance Company, Parsippany, and Lydia Fowler, vice president, Old Republic National Title Insurance Company, Hackensack. Both are past presidents of the New Jersey Land Title Association.

The honors were presented during the seventy-fourth annual convention of the state title association.

RBJ

RBJ

RBJ

RBJ

RBJ

RBJ

RBJ

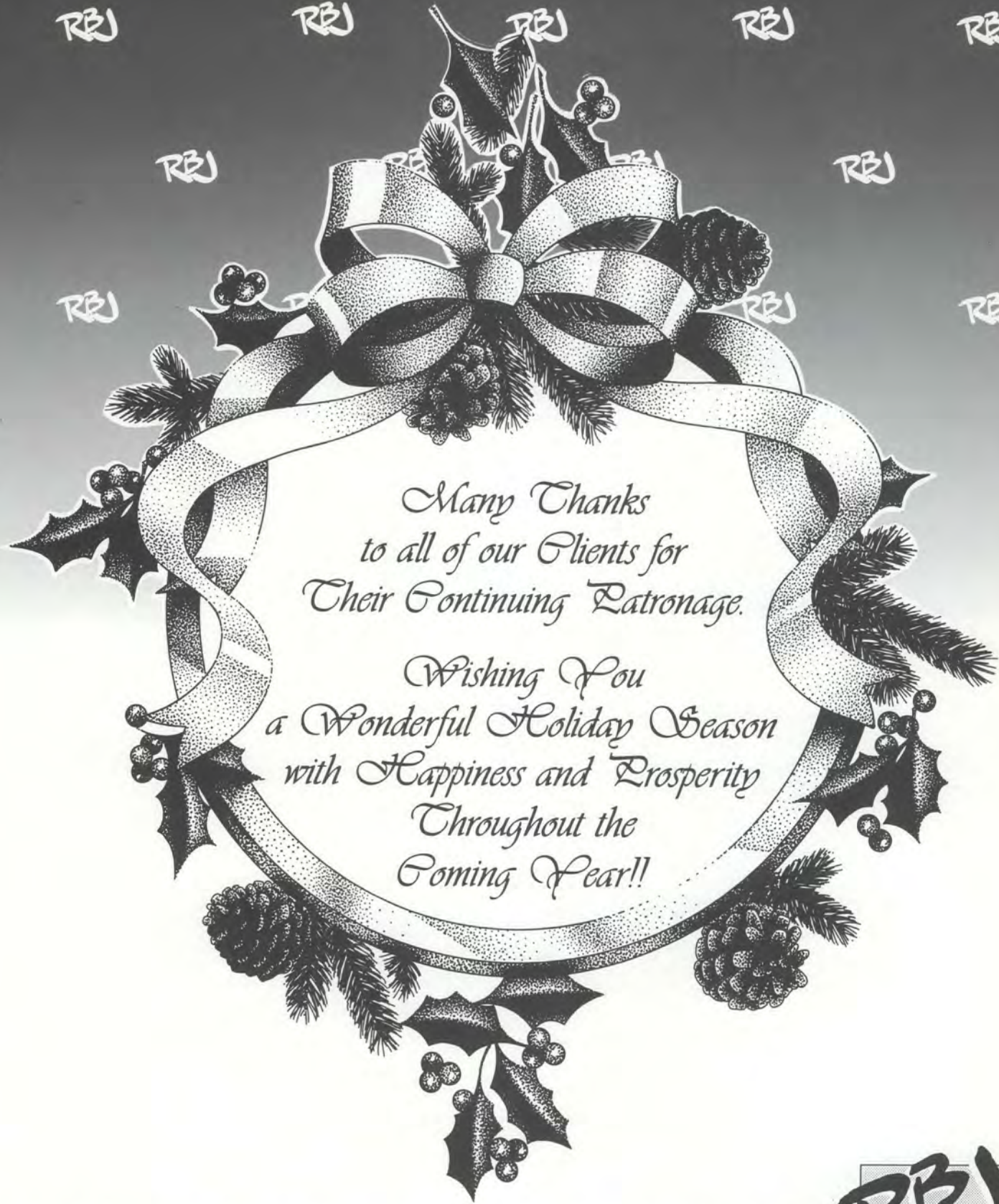
RBJ

RBJ

RBJ

RBJ

RBJ



*Many Thanks
to all of our Clients for
Their Continuing Patronage.*

*Wishing You
a Wonderful Holiday Season
with Happiness and Prosperity
Throughout the
Coming Year!!*

For a demonstration or for any information, please call 800-725-9725

- ◆ Document Processing/
Closing Software
- ◆ Title Production
- ◆ Trust Accounting

- ◆ E-Mail
- ◆ Faxing
- ◆ Management
Reports

- ◆ Subscrow
- ◆ 1099's
- ◆ Bulk Sales

- ◆ Mobile Home
- ◆ WordPerfect®
- ◆ Novell Netware®



BACKPLANTS AUTOMATED

Finally there's an easy way to computerize your title plant. HDEP International will deliver a completely automated backplant and give you the tools to maintain it day-forward.

IF YOU HAVE:

- Film or Fiche Source Documents
- Lot/Tract Books
- Aperture Cards
- Geo Slips
- Grantor/Grantee Books
- 3 x 5 Cards

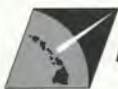
WE WILL:

- Organize the source documents
- Develop a manual suitable for day-forward use
- Computerize the plat edit lists and subdivision indices
- Key and verify documents with 99.95% accuracy guaranteed
- Arb and research non-postable legals
- Run completeness checks and validations
- Deliver the backplant per your specs, quickly and economically

SO YOU CAN:

- Speed up title searches
- Reduce manual searching errors
- Eliminate trips to the courthouse
- Lower your expenses

We have processed more than 60 million real estate transactions. Call us today to discuss your plant.



HDEP INTERNATIONAL

1314 S King St #950, Honolulu, HI 96814
Tel: (808) 591-2600 Fax: (808) 591-2900

MARKETPLACE

Rates: Situations wanted or help wanted, \$80 for first 50 words, \$1 for each additional word, 130 words maximum (reduces to \$70 for first 50 words, \$1 for each additional word, three or more consecutive placements). For sale or wanted to buy, \$250 for 50 words, \$1 for each additional word, 130 words maximum (reduces to \$225 for 50 words, \$1 for each additional word, three or more consecutive placements). Additional charge for box around ad: \$20 per insertion for situations wanted or help wanted, \$50 per insertion-for sale or wanted to buy. Send copy and check made payable to American Land Title Association to Title News Marketplace, American Land Title Association, Suite 705, 1828 L Street, N. W., Washington, DC 20036. Responses to classified placements should be sent to same address unless otherwise specified in ad copy.

Wanted

Used micrographics and optical equipment. Top prices paid. Checks sent sight unseen. Call 1-800-582-8818. Ask for Rich.

1996 CALENDAR OF MEETINGS

November

2-5 **Title Counsel**, Mansion del Rio,
San Antonio

TITLE NEWS ADVERTISERS

Advanced Escrow	..... page 28
Corporate Development Services	..... page 32
First Data	..... page 11
Genesis	..... cover 2
HDEP International	..... page 34
Land Title Institute	..... cover 3
North American Title Organization	..... page 29

Ohio Bar Title	..... page 31
RBJ Computer	..... page 33
SMS Real Estate Information Services	..... page 4, 10
SoftPro Corporation	..... page 26
Title Data	..... page 6
Title Pac, Inc.	..... page 27
Title SCAN Systems	..... page 24
Title Solutions	..... page 22

Western Expansion By Monroe Title

Monroe Title Insurance Corporation has announced the acquisition of Wyoming Abstract, which becomes Wyoming Abstract Company, a division of the parent. According to Thomas P. Moonan, Monroe's president and chief executive officer, the move is designed to increase the company's presence in western New York.

Maurice Martin, formerly president of Wyoming Abstract since 1973, continues in management of the newly acquired operation.

25% OFF All LTI Videos



Celebrating 25 Years of Service to the Title Industry.

Educational Videotapes	Regular Price	Discount Price	Quantity
♦ The Need for Land Title Services	\$30.00	\$22.50	_____
♦ Principles of Title Searching	\$30.00	\$22.50	_____
♦ Claims Awareness	\$30.00	\$22.50	_____
♦ Completing A Title Insurance Commitment Form	\$35.00	\$26.25	_____
♦ A Policy Overview (updated in 1995)	\$35.00	\$26.25	_____
♦ Behind the Scenes:			
A Look at the Settlement Process	\$50.00	\$37.50	_____
♦ Closing Real Estate Transactions:			
Process and Problem-Solving with the HUD-1	\$50.00	\$37.50	_____
♦ E.T. Come Home. Effective Employee Training for Different Size Offices. You Can Do It!	\$20.00	\$15.00	_____
♦ "This Land Is My Land, <i>That</i> Land Is Your Land" Land Descriptions Video Kit	\$125.00	\$93.75	_____

(\$8 for first video, \$2 for each additional will be added as a postage and handling charge)

Your Name _____

Company Name _____

Mailing Address _____

City, State, Zip _____

Phone _____ FAX _____

You may fax your order to Land Title Institute at 202-223-5843 or mail this form to Land Title Institute, Inc., 1828 L Street, N.W., Suite 705, Washington, DC 20036. Questions? Call LTI at 202-331-7431.

Thank you for your order!

The LTI educational videotapes you requested will be mailed to you with an invoice.

(25th Anniversary Discount Expires 12/31/96)

**American
Land Title
Association**
1828 L Street, N.W.
Washington, D.C. 20036

**BULK RATE
U.S. POSTAGE
PAID
Rockville, Md.
Permit No. 800**