September/October 2006

TitleNews

Official Publication of the
American Land Title Association

Title Industry Faces Intense Scrutiny

The title industry is under a period of intense regulatory scrutiny. What will be the result from a regulatory perspective, a competitive perspective and a litigation perspective?

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point of view

Forget Blame; Get in the Game

Last week, I attended the Michigan Land Title Association's annual convention. While I was there, I was approached by a gentleman who has been in the business for the last 20 years. He recalled reading an article in *Title News* sometime in the late '80s entitled "Take a Thief to Dinner." Not having been in the industry very long, he wondered what ALTA was all about. I was very surprised by what he told me and promised to try to find the article. Coincidentally, I was traveling to ALTA's office in Washington, D.C., immediately following the convention. Upon reaching the office, I enlisted the help of Lorri Ragan and Rich McCarthy to find this article. Although we were not able to find an article with that particular title, we found one containing the essence of our inquisitor's memory. Essentially the article placed blame on agents for the multitude of defalcations taking place at the time. Rich specifically recalled the rebuttal to the article, which continued the finger-pointing by placing the blame on the underwriters for signing "bad" agents.

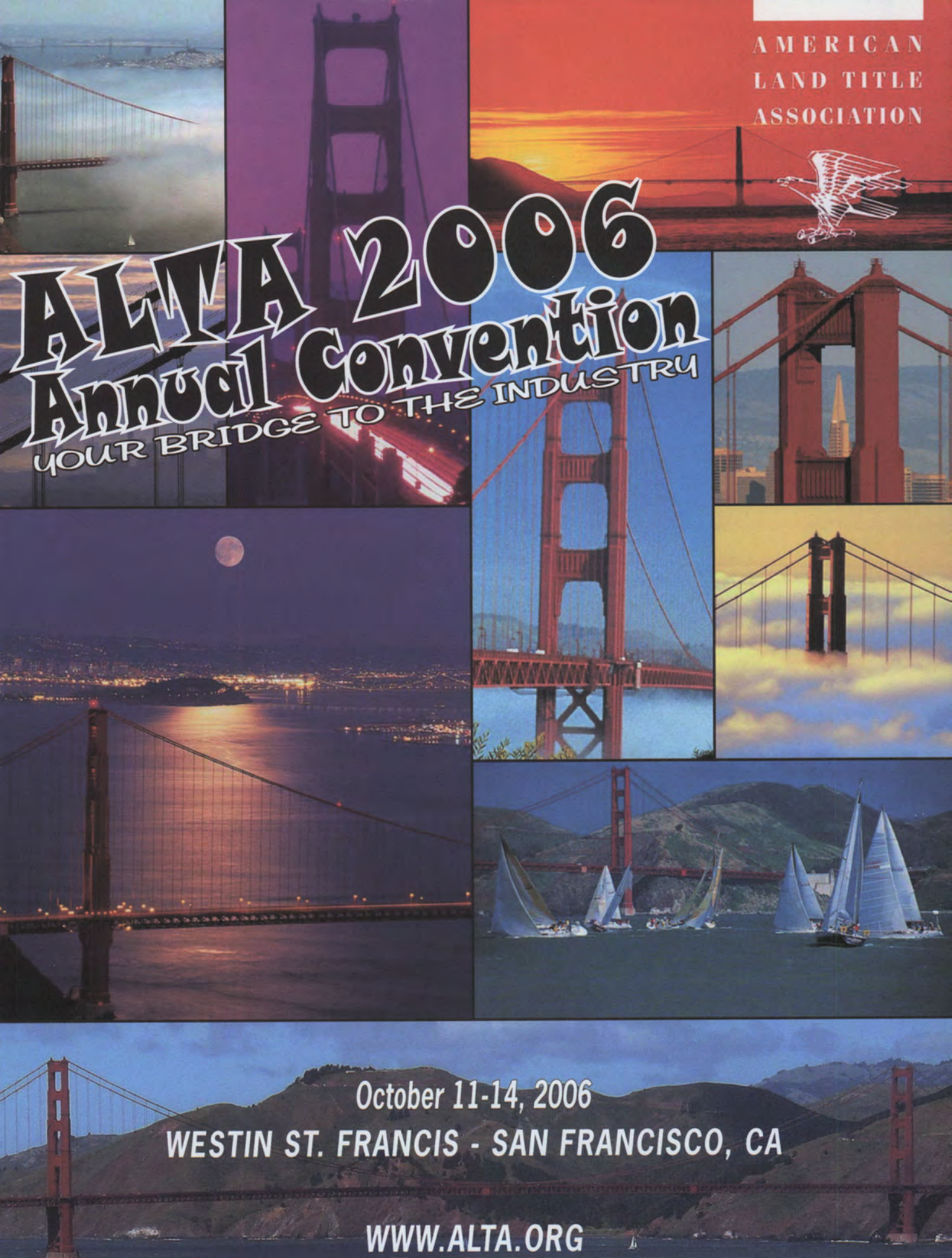
Those of you who have been in the business for more than 20 years will remember the '80s as a period characterized by high interest rates, anemic business, and intense competition. No one was doing well. Underwriters and agents were plagued with claims, financial and operational issues. Yes, there were a few agents "borrowing" money from escrow or trust accounts, but there were a good number of underwriter personnel "borrowing" money from the company till as well. Unfortunately, there was a lot of finger-pointing going on. Did it accomplish anything? Nope!

Why? Because the people who were being pointed at weren't the problem. They were the solution.

Fast forward to today. We're coming off the best three or four years in the history of our industry. We made a lot of hay. Unfortunately, we didn't sow a lot of oats. Not that you can ever be perfectly prepared for a market turndown, but we left ourselves with the endemic dilemmas of gut checks, downsizing, and a hostile regulatory environment.

This is not a time to place blame. It is a time to come together as an industry, specifically through ALTA. Agents, underwriters, and all the associate members of this association must become the solution. Grassroots campaigns have and will remain the strength of this great industry. Take time, take part, and most of all take pride in what we are. You can be the difference if you don't become the problem.

– Rande K. Yeager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The title professionals listed below took their industry training to the next level – they completed LTI's Online Course 2 during the Second Quarter 2006.

Land Title Institute

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Samantha Williams
Terrill Williams

LTI's Course 2 is an online, self-study course covering 15 industry topics, including chapters on land descriptions, subdivisions, encumbrances, UCC, water rights, endorsements, forms of commitments and policies, bankruptcy, claims, and reinsurance.

For further information about LTI's Online Courses, please visit the ALTA Web site: www.alta.org; click on Land Title Institute; and then Correspondence Courses.

Questions? Contact Patricia Berman at pat_berman@alta.org or 800-787-2582 x 215.

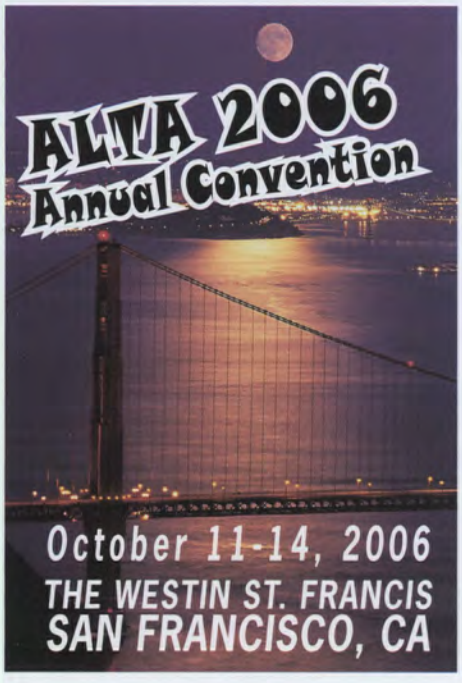
calendar

ALTA EVENTS

Date	Event
September 10-12	Reinsurance Committee Miami Beach, FL
September 17-19	Annual Accountants Meeting Moran, WY
October 11-14	ALTA Annual Convention Westin St. Francis, San Francisco, CA

STATE CONVENTIONS

September 7-10	Maryland
September 10-12	Ohio
September 13-15	Arizona
September 13-16	Colorado
September 14-17	Dixie Land (AL, GA, MS)
September 14-16	Missouri
September 14-16	North Carolina
September 20-22	Nebraska
September 21-23	North Dakota
October 19-20	Wisconsin
November 15-17	Florida
December 6-8	Louisiana



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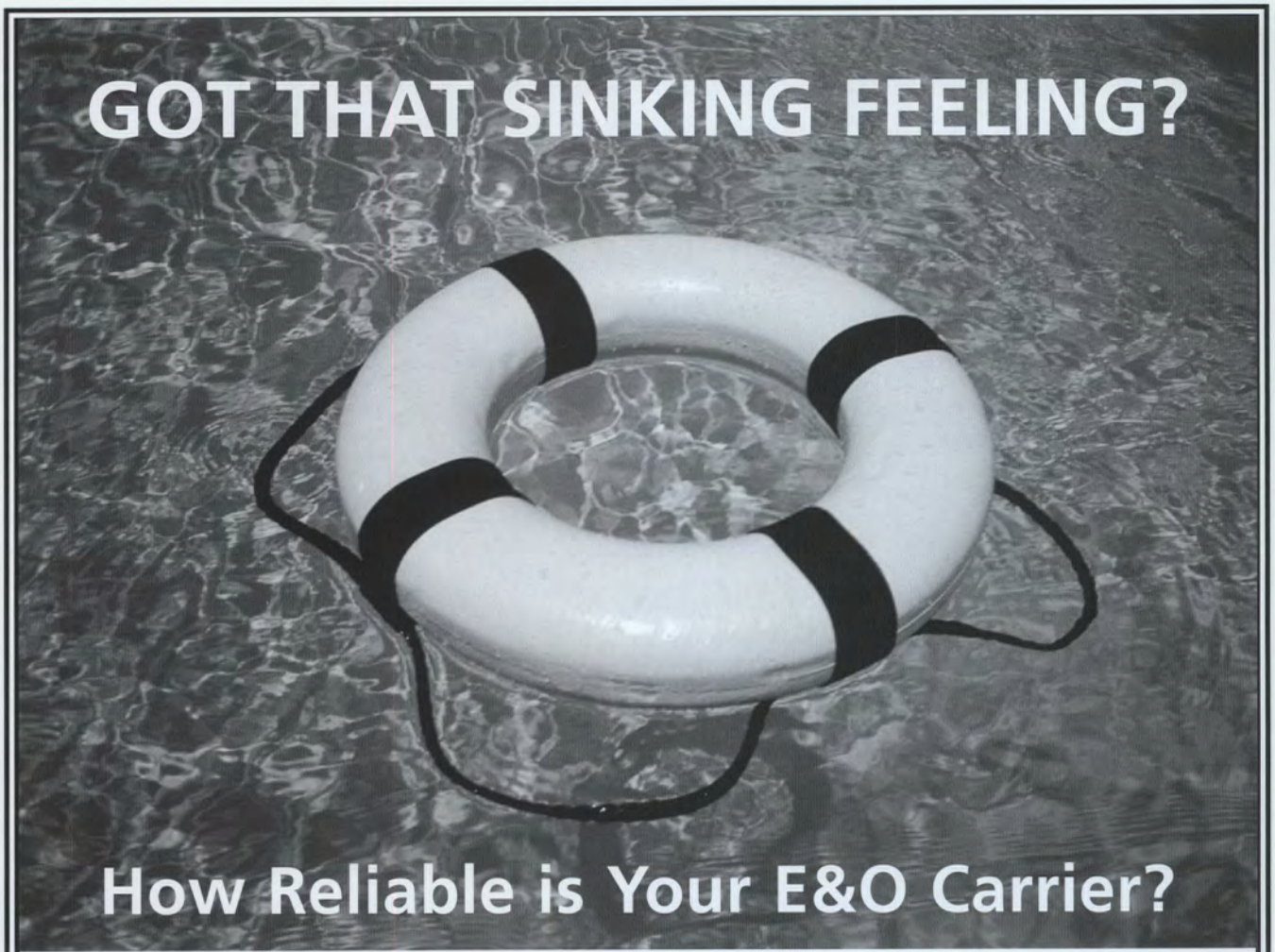

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news

Winning Logo Selected for Centennial

Thanks to all of the ALTA members who submitted logos for ALTA's 100th anniversary logo contest. The winning logo was sent in by Catherine A. Loveland of Connecticut Attorneys Title Insurance Co. (CATIC). Catherine received complimentary registration, airfare, and hotel to attend ALTA's Annual Convention in San Francisco. Look for the logo on special anniversary letterhead, stickers, shirts, and other items as we approach 2007 – our 100th anniversary year. And mark your calendar now to attend the 100th anniversary convention, October 10-14 in Chicago, also the location for ALTA's first convention.

GOVERNMENT

ALTA Meets With GAO for a Third Time

ALTA is continuing to work with the Government Accountability Office (GAO) in its quest to fully understand the title industry and how it works. On August 3, ALTA and representatives from the title industry, met a third time with the GAO. The GAO began its study of the title industry this past February and is expected to release a full report sometime in the spring of 2007.

New Look for Title News

Title News has received a facelift to make it easier to read. The font size and amount of white space on the pages have been increased. The color pallette and design also have been modernized. We hope you like the new look and continue to enjoy the quality feature articles submitted by members. If you have any comments about Title News, send them to editor in chief lorri_ragan@alta.org

GOVERNMENT

ALTA Testifies on Removing Barriers to Homeownership

ALTA testified on July 31 before the Housing and Community Opportunity Subcommittee of the House Financial Services Committee on "Removing Barriers to Homeownership for Native Americans." Ed Hellewell, senior vice president and senior underwriting counsel for Stewart Title Guaranty, testified on ALTA's behalf, along with 15 other witnesses.

Hellewell said one of the barriers is the current requirement for a Title Status Report on each piece of land. These reports require a search and examination of the records beginning with the establishment of the Indian lands forward to the current date, and several certified TSRs might be requested during a transaction. Hellewell testified a possible solution is to utilize the practice where an examiner would begin the search with the last date title was checked and examine only the land records after that date. Hellewell reiterated the industry's commitment to assist with efforts to remove barriers to homeownership for Native Americans.

news

GOVERNMENT

Hearing Held on Optional Federal Insurance Charter

The Senate Banking Committee held the second hearing on insurance regulation and a proposed optional federal insurance charter on July 11, 2006. On April 5, 2006, Senators John Sununu (R-NH) and Tim Johnson (D-SD) introduced the National Insurance Act (S. 2509). This bill would let life and property/casualty insurers opt for a federal regulator, rather than a state insurance commissioner. The bill would create the Office of National Insurance within the Treasury Department, similar to the Office of the Comptroller of the Currency.

This issue continues to be controversial with big banks and insurers supporting the optional charter, while smaller banks, insurers, and agents oppose the bill. Although ALTA has a position opposing a federal charter, our Government Affairs Committee is reviewing the details of the current bill to determine what modifications would be needed to ensure it does not adversely affect the title industry. If you have questions, please contact Ed Miller or Charlene Nieman at ALTA at 800-787-2582.

ALTA Announces Promotions

Mark Hernick has been promoted to vice president of operations. Previously he was director of finance & administration. He will report to the Board of Governors and will manage all internal operations for ALTA.

Edward C. Miller has been promoted to chief counsel and vice president of public policy. Previously he was chief counsel and director of government affairs. He will report directly to the Board of Governors and be responsible for all public policy issues.

Industry Forms Adopted

A variety of updated industry forms and endorsements were adopted by the ALTA Board of Governors on June 16, 2006. The forms have been posted on the ALTA Web site and will be available for a short time. After that, forms will be available for purchase on the Web site. If your company purchased the Policy Forms Handbook in the past, you will be given a password to access the forms once they are no longer available to everyone for the initial viewing period. See page 22 for an article explaining the updates and how they will benefit your customers.

Public Awareness Initiative Update

Many of you have ordered the Title Industry Marketing Kit to help you market the value of title insurance, along with your company, to local Realtors®, lenders, and consumers. Several components of the kit have been converted into Spanish to help you reach the growing Hispanic marketplace.

The "Value" brochure and "Due Diligence" brochure are now available in Spanish. The Value brochure speaks to the value of having an Owner's policy. The Due Diligence brochure speaks to the behind-the-scenes work that title companies do to research and clear up title issues before closing. In addition, the 12-minute video explaining the title search process, types of problems found, and the need for an Owner's policy is also available in Spanish. The brochures and video (available in DVD or VHS format) can be ordered on ALTA's Web site. Click the green "Public Awareness Campaign" icon on the right-hand side of the web page to order.

Revenue Decreasing?

How Can You Increase Revenue?

Increase Capability. Implementing technology with the ability to project your business to a broader market will allow you to capture more business and increase your revenue. But, the truth of the matter is that in a shrinking marketplace, with a shrinking revenue model, increasing revenue isn't the ***only*** way to survive. So, what else can you do? ***Increase Profitability.*** By increasing profitability, you create a business environment that gains bigger profits and provides stability during market fluctuations.

How Can You Increase Profitability?

Increase Efficiency. Critical steps to increasing efficiency are to revisit and optimize your business processes, and implement technology that can execute them as efficiently as possible. The result is a business that can avoid the need to add, or worse, reduce man-power and still remain profitable, ***even while taking a hit on revenue***.

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Title Industry Faces Intense Scrutiny

To understand why the industry is facing unparalleled regulatory scrutiny, we must understand the slow, steady course of events that led us here. There is still time to stop the negativity, but we must work together as an industry.

It almost goes without saying that the title industry is under a period of intense regulatory scrutiny. The degree of scrutiny is greater now than at any time in the past 30 years. How long will this last? What will be the result from a regulatory perspective, a competitive perspective, and a litigation perspective? Where is the industry headed? Each is an excellent question likely having a response that continues to evolve. However, if one has any hope of answering these questions, one must first understand how the industry arrived where it finds itself today. Accordingly, through this article, I hope to provide my thoughts concerning why this regulatory environment exists because the answer to each of the how, what, and where questions likely turns on the answer to the question why? >>

by Richard G. Carlston

Escrow Interest

While subject to dispute, I believe that the search for the answer "why" begins in 1999 in the state of California. In 1999, and for years previous, title companies maintained pooled escrow accounts in their own name for sums deposited in their escrows. These accounts were generally noninterest-bearing demand accounts. Interest-bearing accounts were available but generally not used due to the cost of establishing them. As property ownership expanded and property values increased, the size of pooled escrow accounts increased, resulting in intense competition by California lenders for these pooled accounts. Banks offered title companies "earnings credit" and "arbitrage" arrangements for pooled escrow accounts, permitting title companies to receive an economic benefit from having their pooled escrow account on deposit with that bank. While federal law prohibited the payment of interest on demand accounts, federal banking regulators took the position that these programs, if structured properly, did not constitute "interest." This determination that these financial benefits were not interest under federal banking law, and arguably California banking law, was important since California law required any interest received to be paid to the party depositing the funds into escrow unless otherwise instructed. For years, regulators accepted this interpretation and permitted title companies to retain these financial benefits.

But the landscape changed unexpectedly and dramatically in 1999 when a title company discovered a significant embezzlement by one of its senior financial officers involving a fraudulent earnings credit scheme. The embezzlement was reported to the District Attorney of San Francisco for prosecution. The senior financial officer cut a plea bargain in which he disclosed other irregularities in the earnings credit program he established for the title company. Consequently, the District Attorney and City Attorney's office filed a lawsuit against the title company claiming that the financial benefits received on its pooled escrow accounts constituted interest wrongfully taken by the title company. The notoriety of this lawsuit spawned tagalong private class actions, with the rhetoric escalating to stolen monies and criminal conduct.

> The seeds of regulatory distrust in California were planted, tended, flowered, and spread to other states.

Consequently, the Department of Insurance and the California Controller, in May of 1999, filed a defendant's class action against the title industry, asserting that these financial benefits constitute "interest" under California law and had been inappropriately taken by the industry. At the time the lawsuit was filed, the Controller, who was becoming involved in a political campaign for a different office, held a televised press conference claiming that as much as 500 million dollars had knowingly been taken illegally by escrow and title companies from consumers by the title and escrow industry.

After significant negative publicity, settlements were achieved in 2003 and 2004. But the seeds of regulatory distrust in California were planted, tended, flowered, and spread to other states. Likewise, the template for regulatory pressure through negative political rhetoric in the press was perfected.

Mortgage Impairment

Before these settlements were achieved however, another event occurred in 2001 in this sequence of unfortunate events. This event had nothing to do with any industry misconduct but rather with the attempt by a mortgage guaranty insurer to offer a title insurance coverage product in violation of both the monoline restriction applicable to title insurers and the monoline restriction applicable to mortgage guaranty insurers.

After Radian Guaranty, Inc. (Radian) developed its Radian Lien Protection Policy (the RLP), which bundled lien priority insurance into a pooled mortgage guaranty policy, Radian undertook an extensive and effective marketing campaign to justify both its product and its right to issue the product. Radian told regulators that a risk of loss from an undisclosed senior lien constituted a mortgage guaranty risk because it was a loss suffered due to the default of the borrower. Radian claimed that the market and consumers wanted a cheaper alternative to expensive, slow, and unnecessary title insurance. The RLP was that solution according to Radian, because the RLP was

both cheaper than title insurance and a safer alternative for the lender. Armed with its legal argument and its publicity themes of "cheaper, better, and more competition," Radian undertook its national campaign despite knowing that several states had determined that the RLP constituted title insurance; and they prohibited it from being offered in their state.

When ALTA began to challenge the RLP as being an illegal product, Radian refined its arguments but stuck to its press themes: A loan policy provides no benefit to consumers, who are already protected under their owner's policy. Consumers pay for the lender's insurance and want a cheaper and quicker alternative to title insurance. Consumers will save millions of dollars if the RLP is permitted, and lenders will receive greater protection due to Radian's financial strength. Radian scored successes in the press, with regulators and the market.

Radian found sympathetic reporters and encouraged the publication of articles supporting use of the RLP in lieu of title insurance. From nationally syndicated real estate columnist Ken Harney's articles, to reports all across the nation, the themes of cheaper, faster, and the need for greater competition within the title industry, were echoed by reporters in the press having little understanding or appreciation of the applicable laws, the public policies behind them, or the benefits and costs of title insurance. Several consumer groups, advocating cheaper products, quickly parroted the view that title insurance was too costly. ALTA's efforts to explain the importance of title insurance and the illegal conduct by Radian were often ignored by the press and consumer groups.

ALTA experienced greater success on the regulatory front. ALTA developed materials that contradicted virtually all of the claims made by Radian, including price claims, and focused on consumer benefits and protections achieved through title insurance. ALTA stressed the benefits and importance of title insurance, the laws and the policies behind the laws. ALTA identified the potentially serious consumer consequences

arising under the RLP. Overarching this campaign was the need for a level playing field. ALTA visited various state regulators and shared this information and material with them. ALTA also approached the Title Working Group of the National Association of Insurance Commissioners (NAIC). The NAIC undertook an extensive and thorough investigation of the RLP and ultimately concluded that the RLP constituted a product that included title insurance coverage in violation of the Model Title Insurers Act. Thereafter, the NAIC undertook an investigation of products being offered by property and casualty carriers. Prior to completion, this investigation stalled due to the NAIC's focus on the captive reinsurance issue discussed below.

While ALTA's actions ultimately proved successful due to the issuance of a cease and desist order against Radian by the California Department of Insurance, many state regulators were noncommittal in applying their laws given the confusion generated by Radian with its legal and social arguments. Indeed, the Department of Financial Institutions in Illinois took the position that as long as Radian didn't market the RLP as a substitute for a title policy, the product was approved.

But it was not only state regulators that commanded ALTA's attention. Radian was successful in convincing Senator Phil Gramm, Ranking Member of the Senate Committee on Banking, Housing, and Urban Affairs, that the RLP should be considered. Senator Gramm testified in a hearing on housing and community development needs in December 2001 that title insurance was too expensive and that fixing this situation "could probably do more to promote homeownership … than by any increase in appropriations for housing that will be made in the next eight years combined." Then in 2002, he sent a letter to HUD promoting the merits of "lien protection insurance" as an alternative to title insurance as a way of reducing the cost of homeownership. He closed his letter with the following:

"I think innovative alternatives to traditional title insurance, which have the potential to lower the cost of homeownership, merit consideration. As you investigate ways to reduce the barriers to homeownership, I encourage you to evaluate alternatives to traditional title insurance, such as lien protection."

The illegal conduct by Radian was stopped by the cease and desist order, resulting in the termination by Radian of its efforts to market the RLP. Radian requested a hearing before an Administrative Law Judge, and after a multiday administrative hearing, the Administrative Law Judge ruled in favor of the Department. The acceptance of this decision by then new Commissioner Garamendi was delayed for several months. During this delay, the Consumers Union wrote to Commissioner Garamendi noting that one of the "obstacles to refinancing is high closing costs, the most significant of which is the cost of title insurance," that "Californians are paying too much for title insurance" and urging him "to investigate whether insurers are charging excessive rates and to help consumers save money by fostering greater competition in the marketplace."

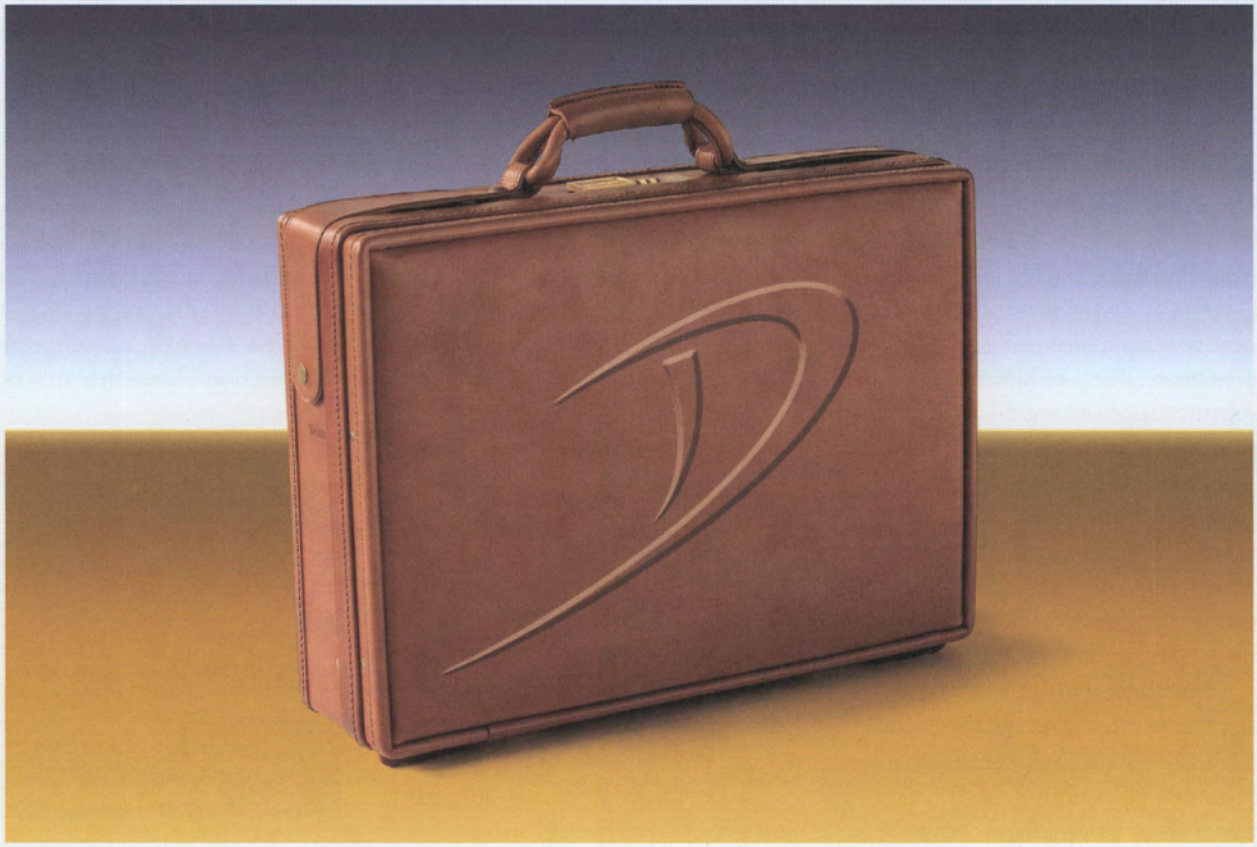
Commissioner Garamendi ultimately upheld the decision of the Administrative Law Judge. Radian filed a writ proceeding seeking to overturn the decision, which led to a

published Court of Appeal decision sustaining the cease and desist order on the ground that the RLP illegally included title insurance coverage.

In addition to its legal maneuvering, Radian also attempted to introduce legislation in California to amend the definition of mortgage guaranty insurance to include lien priority insurance. In so doing, it coordinated with legislators, consumer groups, and the press. Nonetheless, despite its efforts, the bill was defeated in committee.

While the saga of the Radian has been completed, the consequences arising from the saga have not. Radian's actions encouraged property and casualty companies to bundle lien priority into their products. The publicity attendant to the themes developed by Radian -- that title insurance is too expensive and that more competition needs to be introduced into the title insurance market -- struck a chord with the press, consumer groups, and regulators. Finally, the controversy brought to light rating errors relative to the provision of the short-term rates to qualifying consumers leading to regulatory action as well as private class actions

Going Places.



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Captive Reinsurance

In response to concerns expressed by members of the title industry, the NAIC Title Working Group turned its attention to captive reinsurance involving residential properties in 2005. The Colorado Division of Insurance undertook an investigation into whether these structures acted, in effect, as illegal kickback and rebate schemes. Sharing its results with other members of the NAIC, additional states undertook similar investigations. Ultimately, a general consensus was achieved among regulators resulting from the various state investigations and shared through the NAIC, that captive reinsurance programs were, in operation, illegal kickback and rebate schemes approaching 50 percent of the title insurance premium in some cases. This led to various settlements among the title insurers utilizing captive reinsurance arrangements. These settlements were widely publicized with the constant portrayal of the programs as illegal rebates and referral fees.

The practical effect of the captive reinsurance issue was a further solidification of the belief that title insurance rates are too high, since under these programs, a company could rebate close to 50 percent of the premium. Little consideration was given to the fact that only a few title insurers used captive reinsurance programs whereas others did not. Little consideration was given to the fact that the amount of business conducted through captive reinsurance arrangements was insignificant and did not affect title insurance rates. Instead, regulators were quick to adopt the view that the existence of captive reinsurance programs was conclusive evidence that title insurance rates were too high.

Sham Affiliated Business

Next up for the NAIC was the question of sham affiliated businesses. The Colorado Division of Insurance initiated an investigation of sham affiliated business with encouragement from the Land Title Association of Colorado. According to the division, it discovered widespread sham affiliated businesses in Colorado, and it acted to correct the problems. In addition, it shared the results of its study with the NAIC, and the NAIC began examining sham affiliated businesses. That examination is ongoing and will likely result in a revision to the Title Insurer Model Act. Like captive reinsurance, the ability to provide rebates and referral fees through sham affiliated businesses was viewed as further evidence of the excessive nature of title insurance charges.

Rate Examinations

All of the publicity concerning the foregoing led to widespread belief among regulators and consumer advocates that title insurance rates should be examined. This perception led to a series of data calls and rate investigations premised on the assumption that title insurance rates are excessive. Similarly, market conduct examinations focusing on rebates, referral fees, and affiliated businesses have commenced. In conjunction with these examinations, departments are reconsidering their regulatory approach to title insurance. While there have been some settlements, most notably the settlements achieved in conjunction with the New York investigation in May of this year, where, among other things, certain title insurers agreed to reduce their residential rates for properties having a value below 1 million dollars, most are ongoing. The California Department of Insurance has just proposed a new regulation that would substantially alter and expand reporting requirements for companies engaged in business in California while at the same time setting a rate cap. This proposed regulation, with it rate regulation, is claimed necessary because of a finding by Commissioner Garamendi that a reasonable degree of competition does not exist in the business of title insurance, and a "comprehensive, uniform system for preventing excessive rates is necessary to ensure appropriate rates in this noncompetitive climate." Other investigations are ongoing but not advanced as far. Virtually, all investigations, however, involve a rate investigation concerning the question of whether title rates are excessive.

The GAO Study

This year, prompted by the publicized concerns surrounding rates and practices in the title insurance industry, Congressman Michael Oxley, Chairman of the House Committee on Financial Services, asked the United States Government Accountability Office (the GAO) to undertake a study of the title industry. Congressman Oxley asked the GAO to:

- Analyze the title insurance market to determine what factors impact the price of the product, including the associated claims, title search, overhead, and marketing costs;

- Determine the number of title insurers, their market share, how the product is marketed and sold, the extent to which title insurance is a nationwide business, and to what extent consumers benefit from a competitive title insurance marketplace; and
- Examine the relationship between title insurers, Realtors®, lenders, and homebuilders for anticompetitive practices and investigate potential barriers to entry in the market.

This study is now underway. To date, the GAO has interviewed regulators, ALTA, state land title associations, title insurers, agents, Realtor® organizations, and lender organizations. In conjunction with a Congressional Hearing before the Subcommittee on Housing and Community Opportunity of the House Committee on Financial Services conducted April 26, 2006, the GAO issued an interim report but the final report is not expected until the first quarter of 2007. The study may have a significant impact on the approach of various state regulators and potentially federal regulators.

Proactive Steps

In my opinion, this unfortunate compounding series of recent events has been instrumental in the heightened regulatory scrutiny and review taking place. Much of this is premised on misperception and misunderstanding about title insurance. Much is devoid of proper analysis. Much is consumer-driven based on a perception that title rates are excessive and constitute a barrier to property ownership. Some is driven by politics. Some is the fault of companies within the industry, and some is the fault of companies outside the industry. Some is the fault of regulators.

Regardless, steps should be taken to correct problems. Obviously, both regulators and consumers need a better understanding of the importance of our closing and settlement services and the value of title insurance, and educational efforts should continue and be widespread. But, in addition to education, three additional actions would be instrumental is correcting the problems. These steps were outlined to Congress through the testimony of ALTA President Randy Yeager. They are:

1.Section 8 of RESPA should be amended to provide competitors the right to bring a Section 8 case for injunctive relief and attorneys' fees (not damages). At present, competitors do not have that right. Competitors have a strong incentive to discover and stop unlawful activities, and permitting such actions will supplement efforts taken by regulators and might substantially minimize these problems.

■ Much of this is premised on misperception and misunderstanding about title insurance. Much is devoid of proper analysis.

2.HUD should commit to responding within a reasonable time to requests for guidance on RESPA issues that are submitted by ALTA or by another national trade association representing firms involved in the real estate settlement process. This would enable HUD to address important questions that involve "open" market conduct issues having broad significance to the industry.

3.States should be encouraged to adopt and enforce referral fee prohibitions against the recipients of such payments. This will enable regulation of the demand side of the referral problem in a uniform manner with the supply side.

Through ALTA's Public Awareness Initiative, we will continue to educate regulators, members of Congress, consumers, and the media, about the value we bring to the closing and settlement process. But with so much of the attention being focused on rates, I can see our industry taking a hit in states across the country. You can continue to help by educating your customers on what you do. And visit your state regulator to help him understand what we do as well. As Rande Yeager states in his Point of View column on page 4, now is the time for the industry to come together to become part of the solution.

Richard G. Carlston is a shareholder with the firm of Miller, Starr & Regalia in Walnut Creek, CA, and represents ALTA in various matters. He has been very involved in ALTA's strategies for Hill testimony and meetings with the GAO. He can be reached at RGC@MSandR.com.

BY DARRYL TURNER

Don't Lose the Engine to Lighten the Load!

If your sales force is not producing, don't let them go; find out why they are not producing and define their job descriptions so they can bring in more business.

In markets like this one, it is not uncommon to see title companies making moves, changing staff, and doing whatever they can to lighten their load to continue to make profit.

Since buildings and staff are the two biggest expenses for title companies, and your building is not something you can get rid of quickly, laying off staff seems to be the most viable avenue to take when cutting expenses.

When faced with this dilemma it is important to be able to answer a few questions. Who do you let go? What criteria do you use?

Think about driving your car up a steep hill. The hill gets steeper and steeper. Your car begins to slow down. It loses more and more power as the hill begins to look like something you are not going to be able to get over unless you make a drastic move. You must throw some things out.

What do you throw out? You could throw your luggage, but you know you will need a change of clothes tomorrow. You could throw the extra items brought on the trip such as food, supplies, etc. After thinking about it for a few minutes, you ask yourself "what is the heaviest thing in this car"? That is simple, the engine. Would you throw it out? Obviously not, because you realize the value of the engine.

Why then do title companies consider throwing out their engines (salespeople) when times get lean?

At a recent event at The Title Institute we asked salespeople the same question. Their answers were quite varied, but the common theme boiled down to one of two things. Either (1) the sales rep did not produce new business or (2) the company did not have a mechanism to measure the salesperson's success.

Where Do You Get New Business?

How do your sales reps produce new business? Many make the common mistake of trying to get more business out of their existing customers. The bottom line is that a significant business increase will never come from your existing customer base. In order for a salesperson to be productive, he/she only needs to be doing one thing. Selling.

Sounds simple, right? Let me ask you another question; what is "selling"? Let me first tell you what it is not. It is not the energy put forth to keep a current customer using your company. That is not sales; it is customer service or customer retention.

Selling is the act of acquiring customers that do not normally use your company. So, based on this, are your salespeople currently selling? Are they spending 80-90 percent of their day doing the single most important act that they can be doing? If your answer is no, then let me ask you another question. Since your desired growth will not come from your existing customers, what is your plan to increase your customer base and who will implement the plan?

Identify the Problems

If your salespeople are not currently selling, you must identify why. In most cases it is because they do not have a predictable system of sales to

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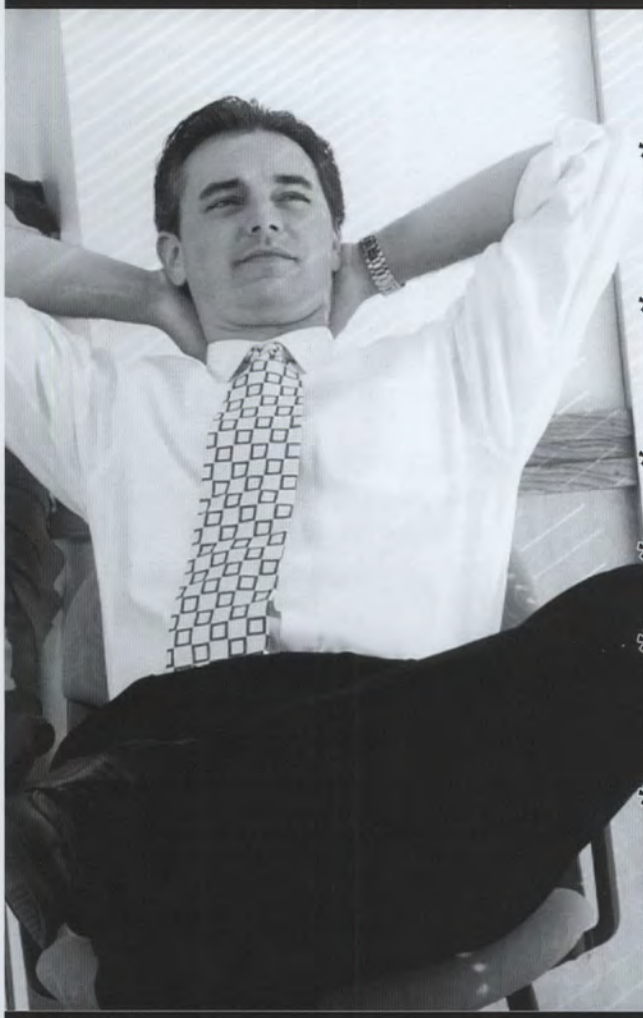

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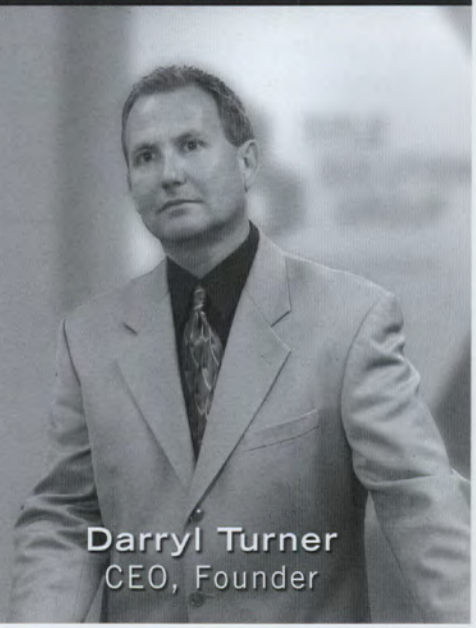

Darryl Turner
CEO, Founder

use each day that generates a constant flow of new customers. In other words, they wing it. The problem here is that when we lack a system and wing it, we will almost always resort to old fashioned methods of attempting to gain customers. We try to get them to like us enough to give us a try. In other words, we make the "relationship" our goal. That is another huge mistake.

If you went on a first date with someone and they told you that their goal for that evening was to form a deep and long-lasting relationship with you, I am going to guess that you would most likely run as fast as you could. The same is true in sales. Rule: "Relationship can never be the goal. It can only be a result."

Rule: "Relationship can never be the goal. It can only be a result."

When your people set a goal to form relationships with prospects, they will always end up forming the wrong kind of "ship." They will not form a relationship, but they will form a friendship.

The way to tell if they have fallen for this trap is easy. Do they have prospects that they like and have lunch with that still use your competition? If so, they are guilty of forming the wrong kind of ship.

How do you remedy this? Sales people need to understand their customers' business and give them sound advice on growing that business. If the customer is a Realtor®, give them advice to obtain more listings. A healthy business rapport will naturally evolve into an effective business relationship.

Shifting Your Staff Structure

If salespeople are to be selling the majority of the day, then who will keep the existing customers happy? The incorrect answer is, "the salespeople keep our customers happy."

Look at the defined lines (or the lack of defined lines) of responsibility of your staff. What should escrow officers (closers) be doing? How can an assistant make all the difference in the world? It is important that you clearly define what you want your people doing, and ultimately what you are going to hold them accountable to accomplish.

If a closer does a bad job on file after file, should a salesperson try to keep those customers? Ultimately if a customer wants to take his/her business elsewhere, it is almost always due to a poor closer-client relationship. I don't have my friends take my wife to dinner to enhance my relationship with her, I must do this myself. Then why do we ask salespeople to solve relationship problems between two other people?

Lack of structure and systems will always result in the lack of ability to grow.

Here is a simple breakdown of the roles and the specific areas that you must hold your people accountable for:

Salespeople: New customer acquisition

Escrow Officers (closers): Customer retention; managing relationships with customers

Assistants: Managing the tasks involved in the technical side of the file to allow the closer to have time to manage relationships.

Structure is Key

I started this article asking why we throw out the engine to lighten the load. Once you have the proper structure within your offices it will be easy to see who is producing and who is not and whether your team players know what their roles are.

As a leader you are in a position to realign your structure, put people in the right positions, hold people accountable, and make other needed changes to see your systems improve. Once you can clearly see your systems working then you can experience throttled expense control and the ability to predictably grow your revenue line and customer base.

Remember, put your people in the right slot, equip them, and work closely together to see your business increase in spite of what the market might be currently doing.

Be careful not to throw out the engine to lighten the load!

Darryl Turner is a regular ALTA speaker and a nationally recognized authority in the advancement of title companies nationwide. For more information about The Darryl Turner Companies, call 800-551-2946 ext 204 or visit them online at www.TitleSolutionGroup.com

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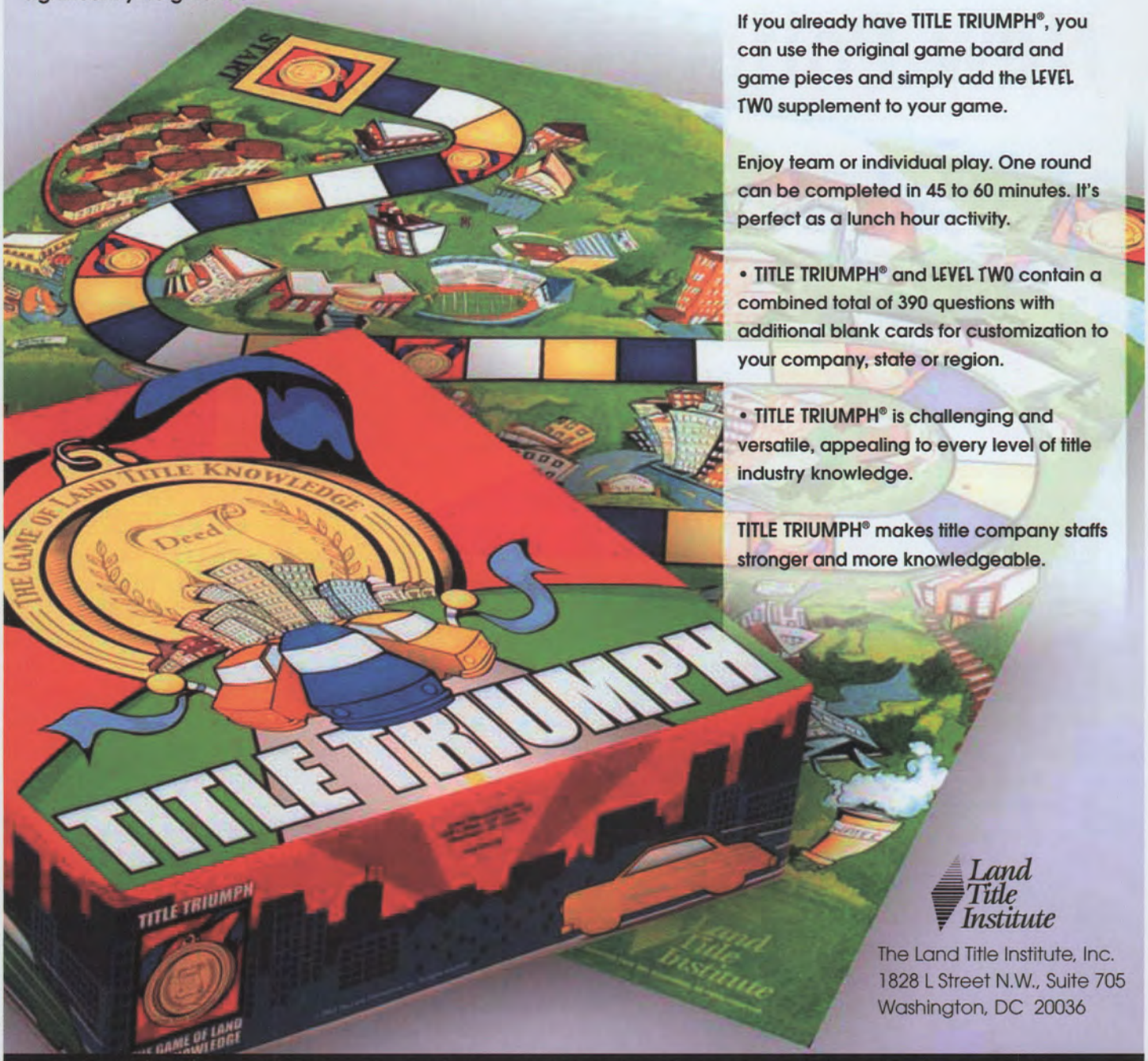

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BY CLIFFORD L. MORGAN

ALTA Adopts New Policies

The recently adopted owner's policy, loan policy, and several counterpart endorsements provide much better coverage for the insured than the prior versions. Learn what has changed and why the new forms are better for your customers.

This past June the ALTA Board of Governors adopted a new owner's policy and a loan policy (known as the 2006 policies) as replacements for the 1992 ALTA owner's and loan policies. In addition, ALTA has adopted new counterpart endorsements for each of the existing ALTA endorsements that can be issued with the 2006 policies. This was necessary because of definitional additions and textual changes to the new policies.

You may be asking why we need new policies. You may believe the 1992 policies work fine and are not that old. So why were changes made? The reason for creating the new policies was primarily to update them to address the title insurance needs of the present-day marketplace. The 1992 policies were really drafted more than 20 years ago, and accordingly are much older than they appear. Also, there are types of transactions and known issues we deal with today that either did not exist 20 years ago or were not recognized.

The provisions of the 1992 policies were stated in general and broad terms, contrary to more current industry practices, as evidenced by the recently adopted Homeowner's and Expanded Coverage loan policies for residential one-to-four family transactions. This is especially true with the insuring clauses (now called Covered Risks). The 1992 policy only had four insuring clauses for the owner's policy and eight for the loan policy. The 2006 policy forms have 10 and 14 Covered Risks respectively for the owner's and loan policies. The Covered Risks for the 2006 policies are much more descriptive of what is covered, with the coverage more clearly and specifically stated for better understanding, and they are listed in a more logical order. This allows the insured to more easily know when coverage applies. It also allows regulators, politicians, and the news media to better understand what is covered by a policy of title insurance. It is not good when the language of the policy is not clear.

I serve as the chair of the ALTA Title Insurance Forms Committee, and in looking at updating the forms, we believed we should try to increase coverage where it made sense to do so. Title insurance companies are now generally much larger than 20 years ago, and accordingly an individual company generally can assume greater risks without jeopardizing the company's financial stability. The 2006 policies insure every risk the 1992 policy forms insured, plus they cover many things the 1992 forms did not. Therefore, it is expected that proposed insureds, or their counsel, will always request the 2006 policies instead of the 1992 or any earlier versions.

Easy Comparison Chart

The Committee prepared a comparison chart of the coverage provided by the 2006 policies versus the 1992 versions, along with a comparison of changes to the Conditions. This chart can be found in the Forms & Standards Section of the ALTA Web site at *www.alta.org*.

Without going into the detail contained in the comparison chart, the following discussion is a listing of what I consider to be some of the

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more important changes made with the 2006 policies.

Important Changes

You will find an example of the more clearly stated coverage in Covered Risk 2.(a) where the policy expressly addresses coverage for

"A defect in Title caused by

(i)*forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;*

(ii)*failure of any person or Entity to have authorized a transfer or conveyance;*

(iii)*a document affecting Title not properly created, executed, witnessed, sealed, acknowledged, notarized, or delivered;*

(iv)*failure to perform those acts necessary to create a document by electronic means authorized by law;*

(v)*a document executed under a falsified, expired, or otherwise invalid power of attorney;*

(vi)*a document not properly filed, recorded, or indexed in the Public Records including failure to perform those acts by electronic means authorized by law; or*

(vii)*a defective judicial or administrative proceeding."*

Even though all of these expressly mentioned matters are also covered by the broad language of the 1992 policies, that fact is not immediately clear to the reader without further legal analysis. The language in the new policies is clearer and easier to interpret.

In the 2006 policies we expressly address the issue of electronic documentation and recordings. We now give coverage with respect to this concern, with six references to electronic documents/recordings in the loan policy and two references in the owner's policy.

The 2006 policies also contain a specific Covered Risk for survey matters. You will find this in Covered Risk 2.(c). This coverage is not expressly stated in the 1992 policies or earlier versions. There have been some court decisions that have held that the prior version policies do not give survey coverage by their printed terms even when the "survey exception" is deleted. By adding this Covered Risk, it is clear that survey coverage is provided when no survey exception is taken in Schedule B of the policy.

▲ Members of the ALTA Forms Committee confer on one of the many proposed changes to the industry forms. The committee worked for three years to update these newly adopted forms.

New Covered Risks

Covered Risks 5, 6, and 7 are new. They provide coverage for the violation or enforcement of any law, ordinance, permit, or governmental regulation; an enforcement action based on the exercise of governmental policy power; and the exercise of the rights of eminent domain if a notice of such is recorded in the Public Records at Date of Policy. It was believed that the 1992 policies provided this coverage because of the exception contained in each of exclusions 1 and 2. However, there have been court decisions that have found to the contrary, in that there was no insuring clause covering these risks. Some courts found that unless there is an insuring clause covering the risk, the court would not need to look further into the policy language to try to find coverage by some exception to an exclusion. Because these matters are now clearly set out as Covered Risks, title companies will not be able to take the position that various recorded documents relating to these issues (such as a recorded "Notice of Substandard Building") do not affect title and therefore are not covered.

The 2006 policies contain a new specific Covered Risk for fraudulent or preferential transfers ("creditors' rights") occurring prior to the transaction creating the interest being insured by the policy. In other words, this policy covers this risk for transactions in the "back title." You will find this coverage in Covered Risk 9 of the owner's policy and Covered Risk 10 of the loan policy. This creditors' rights risk also is covered by the broad insuring clauses of the 1992

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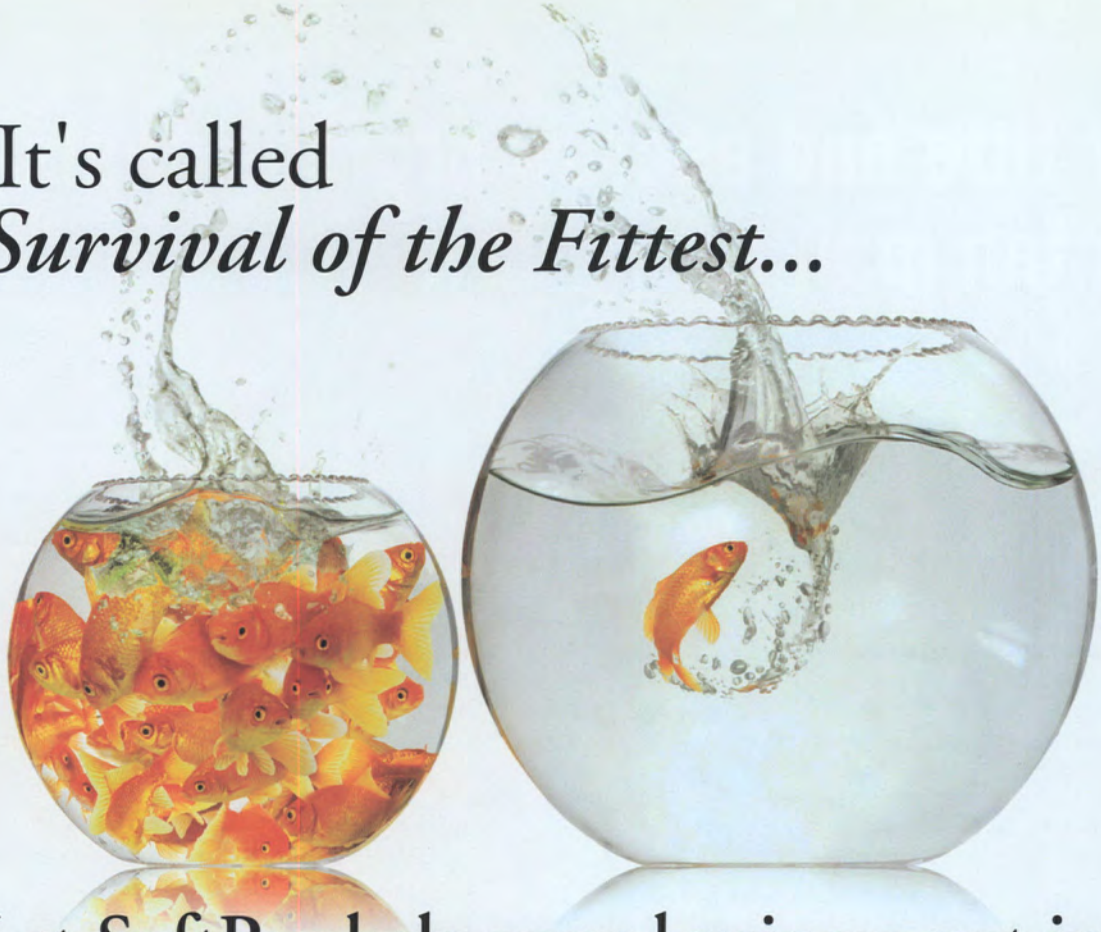

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policy, but again it is not immediately apparent without further legal analysis. There is still a creditors' rights exclusion contained in the 2006 policies for fraudulent or preferential transfers arising out of the insured transaction, just as there is in the 1992 policies.

One of the more important new Covered Risks contained in the 2006 policies is the gap insurance provided by Covered Risk 10 in the owner's policy and Covered Risk 14 in the loan policy. The gap insurance provided by these policies will not be as meaningful in escrow state jurisdictions such as California and other western states for most transactions, but it does provide very meaningful coverage for defects, liens or encumbrances created or attaching, or filed or recorded in the Public Records between the Date of Policy (date of closing) and the date of recording where the closing occurs prior to recording and not as a result of the recording. Even in the western states where as a general rule recording constitutes closing, there are some commercial real estate transactions where the closing occurs before recording, making this Covered Risk very meaningful. While this coverage adds real risk to the insurer, it is a risk we have been providing by endorsement in many states for many years for numerous transactions.

Problems Eliminated

The 2006 policies have eliminated some of the problems insureds have experienced with the 1992 and earlier version policies. For an owner, the 2006 owner's policy eliminates:

(a) Insured individuals unknowingly losing coverage if they conveyed their insured property to a family trust for their own estate planning purposes without getting a new policy or an endorsement to their existing policy adding the trust or trustees as an insured. With the 2006 policy, no new policy or endorsement is needed to provide coverage for the trustees or beneficiaries of the trust because of changes to the definition of "Insured" in subsection 1.(d)(i)(D)(4) of the Conditions.

(b) The insured not having the amount of coverage it thought it had when improvements were made to the land after the purchase because of the coinsurance provision set out in subsection 7.(b) of the Conditions and Stipulations of the 1992 owner's policy. The coinsurance provision has been eliminated in its entirety.

(c) The insured needing a "fairway" endorsement in order to continue coverage when a partnership or limited liability company (LLC) that owns property is reorganized to substitute some or all new partners or members for the existing partners or members. With the 2006 policy, the "fairway" endorsement is not necessary because of changes to the definition of "Insured" in subsection 1.(d)(i)(B) of the Conditions.

(d) The insured not having the amount of coverage it thought it had for a particular claim because of the apportionment provision in Section 8 of the Conditions and Stipulations of the 1992 owner's policy. That section applied in circumstances where the title insurer had issued a single policy insuring two or more parcels not used as a single site and a claim was made affecting only one of the parcels. The effect of this section was that the insurer was allowed to apportion the coverage pro-rata as to the value on Date of Policy of each separate parcel to the whole, resulting in the insured not having sufficient coverage for the claim. The "Apportionment" clause has been eliminated in its entirety.

For a lender the 2006 loan policy eliminates:

(a) Lenders needing to obtain a "last dollar" endorsement in order to maintain coverage until their loan is paid off for certain loan transactions where the amount of the loan exceeds the amount of insurance shown in Schedule A of the policy. This situation occurs when the value of the real property collateral is less than the total loan amount and the remaining portion of the loan is either "unsecured" or secured by personal property collateral. Under these circumstances, a lender will understandably purchase a policy with an amount of insurance equal to the value of the real estate only, rather than the full amount of the loan. As the loan is paid down, subsection 9.(b) of the Conditions and Stipulations of the 1992 loan policy causes the amount of policy liability to be reduced dollar for dollar, with the liability eventually decreasing to zero---even though the lender may still be owed a consider-

■ The 2006 policies have eliminated some of the problems insureds have experienced with the 1992 and earlier version policies.


OWNER'S POLICY OF TITLE INSURANCE

LOAN POLICY OF TITLE INSURANCE

able sum of money and the "insured mortgage" remains as security for the remaining debt. With the 2006 loan policy this situation is avoided because the language from subsection 9.(b) of the Conditions and Stipulations of the 1992 loan policy is eliminated.

(b) Lenders who make second loans unknowingly losing coverage because of the "Liability Noncumulative" provisions of Section 10 of the Conditions and Stipulations of the 1992 loan policy simply because a prior mortgage holder, who makes a claim on its policy of title insurance issued by the same title insurer, gets paid. The "Liability Noncumulative" clause has been eliminated in its entirety.

With respect to endorsements, issuing procedures have been simplified for both the insured lender and the insurer because the 2006 loan policy incorporates endorsements customarily issued to lenders into Schedule A of the policy. When the box is checked next to one of the listed endorsements, the coverage applies without needing to physically attach the endorsement form to the policy. As long as your offices and agents remember to check the appropriate boxes, this should greatly assist in eliminating the long-standing production problem of the title industry of failing to attach the endorsements required by the lender.

Many sections in the Conditions for both the owner's and loan policies have been modified to make the claims submission process less onerous and confusing. The 2006 policies include a provision which imposes a penalty against the insurer that applies when the insurer chooses to litigate and is unsuccessful in establishing the title as insured. In this situation, the Amount of Insurance automatically increases by 10 percent, and the insured may elect the date on which the loss is to be measured as either the date the claim was made or the date the claim was settled.

As a final comment on the 2006 policies, some of the defined terms such as "Insured" and "Unmarketable Title" have been broadened for the benefit of the insured. Also, we defined some previously undefined terms used in the 1992 policies to now benefit the insured. An example of such a definition is the term "Indebtedness" as used in the loan policy. Indebtedness is now defined so that many of the elements of loans that would not have necessarily been included in this term under prior policy forms are specifically included in the 2006 policy. All of these changes substantially broaden the coverage of the 2006 policies.

ALTA also adopted a Short Form Residential Loan Policy for one-to-four family residential transactions that incorporates the provisions of the 2006 loan policy.

Endorsement Updates

As for the special endorsements adopted by ALTA just for the 2006 policies, they will quickly be recognized by the ALTA form numbering system. An ".06" has been added to the end of the ALTA identifying form number. For example, the ALTA Form 6 Endorsement that would be appropriate to be issued with a 2006 loan policy is the ALTA Form 6.06 endorsement. An ALTA Form 3 Endorsement appropriate for the 2006 policy would be the 3.06 endorsement, and so on. The substance of all these .06 endorsements is the same as the regularly numbered endorsement to which it corresponds, even though the language may have been slightly modified to match the 2006 policy defined terms or other provisions. The corresponding regularly numbered ALTA endorsements that were designed to be issued to the 1992 and earlier version policies should not be issued to a 2006 policy. It is important to both the title insurer and the insured that the .06 endorsements be issued with the 2006 policies in order for the desired coverage to be provided.

I am proud of the work the Title Insurance Forms Committee has done over the last three years on these products. These policies provide much better coverage for the insured than the prior versions, and it is my hope that everyone in the industry will work hard to get them introduced into the marketplace as soon as possible. All of us can take pride in the fact we have a much better product for our customers.

Clifford L. Morgan is senior vice president/new product development for First American Title Insurance Company in Santa Ana, CA, and chair of the ALTA Title Insurance Forms Committee. He can be reached at 714-800-5423.

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BY EDWARD C. MILLER

The 109th Congress Wraps Up the Year

It's hard to believe that as early as September the 109th Congress is really done with all its major issues. Learn what the title industry can expect for the next session.

As *Title News* went to press, legislators wrapped up the 109th session of Congress to return home and campaign for reelection. Because it is a midterm election year, this session could best be described as accomplishing as little as possible to upset the electorate.

Tax cut extensions, pension reform, energy legislation, hurricane Katrina, immigration reform, and the conflicts in Afghanistan and Iraq were the focus for most of this Congress, along with passing annual appropriations bills.

Many items of interest to the title industry were considered this year, but few were enacted. Federal terrorism insurance legislation was extended. Federal flood insurance program reform bills were considered and reported in both the Senate and House, but failed to receive final action. Predatory lending, data security, Fannie Mae/Freddie Mac regulatory reform, and optional federal insurance charter bills all received varying degrees of attention, but none were enacted. The stage has been set for the next Congress though, with hearings already having been held on several of these issues.

So what can the title industry look forward to next year? With a close election predicted for November, forecasts are difficult. What legislation is considered will depend largely on which party wins control of the legislature. Here are some issues that are most likely to receive attention.

GAO Report

The Government Accountability Office study of the title insurance industry is scheduled to be released during the first quarter of 2007. ALTA met with GAO staff more than three times to discuss the industry. The latest meeting was held at the ALTA offices on August 3rd with several ALTA member title agents participating. Questions focused on the rate split between agents and underwriters; the cost of title insurance and differences between "risk only" and "all inclusive states;" competition; automation in the industry; and allegations of kickbacks between settlement services providers. Additionally, the GAO has met with underwriters, state insurance commissioners, consumer groups, Realtors®, and mortgage bankers.

House Financial Services Committee

Continued examination of the title industry by this committee will largely depend on who becomes the next chairman. But it would be reasonable to expect a hearing to review the results of the GAO final report next spring. In addition, insurance regulation in general is likely to garner committee attention. If Democrats gain control of the House, it is likely to reinvigorate housing issues in general, including legislation to address predatory lending.

Senate Banking Committee

Chairman Richard Shelby (R-AL) has two years remaining on his chairmanship of the Banking Committee. His agenda is likely to be a continuation of this year's agenda. That included

two hearings on insurance regulation. These hearings focused on shortcomings of the state insurance regulatory system, and how a federal system might improve it. Shelby will push for an overhaul of Fannie Mae/Freddie Mac (GSE) regulation and the formation of a new regulator (if this hasn't been done before printing of this publication). Partisan differences on several provisions of the bill stalled floor consideration. Final action on a new federal flood insurance program will be considered shortly after Congress convenes the 110th session. The banking industry continues to push for regulatory reform legislation that failed to cross the finish line in the 109th.

Optional Federal Insurance Charter

Senators John Sununu (R-NH) and Tim Johnson (D-SD) are expected to reintroduce their National Insurance Act (S. 2509). This bill would allow life and property/casualty insurers to opt out of the state regulatory structure for a federal regime. This federally chartered institution would be granted preemptive authority over state insurance regulations. Life insurance companies, banks, and large property/casualty companies continue to aggressively push for this legislation. ALTA is opposed to the bill as introduced in the 109th Congress. ALTA's Government Affairs Committee is studying its language to prepare responses to specific problems and to draft amendments to ensure the bill will not adversely affect the industry should there be movement in the future. This issue will be discussed at the committee's meeting during the ALTA Annual Convention. Problems include the competitive disadvantage and consumer harm that federal preemption of state licensing and consumer protection regulations could cause. In addition, if the federal regulator granted authority to property/ casualty insurers to offer a mortgage impairment type insurance product, the title industry could suffer. The Senate Banking Committee is expected to continue its review of insurance regulation and to possibly consider federal charter legislation during the next session.

State Modernization and Regulatory Transparency Act (Smart Act)

Although not introduced in this session, this proposal seeks to establish more coordination and uniformity among state regulations and quicker product approval, or risk the imposition of federal standards. It would also limit states' ability to regulate premium prices. The title industry was able to obtain an exemption for title insurance in previously introduced bills and has worked with drafters to include such an exemption in new versions. As with optional federal charter efforts, pressure will continue to pass some reform.

RESPA Reform

As *Title News* went to press, HUD had not released its new RESPA reform proposal. It is expected to be a narrower version of its prior proposal that would only amend the Good Faith Estimate and HUD-1 to better define terms and to unify their look and readability for consumers. If a proposal is released that meets industry objections, it can be expected that Congress will once again inject itself into the debate to make its views known. This industry and congressional opposition killed the last HUD-RESPA proposal, and that result could likely be repeated if the new proposal is unpalatable to industry.

Small Business Health Plan Legislation

(H.R. 525, S. 406, S. 1955) Legislation to allow trade and business associations to offer their members group health insurance plans failed to gain final action in the Senate. H.R. 525 passed the House in 2005. Senators Olympia Snowe (R-ME; S. 406) and Michael Enzi (R-WY; S. 1955) introduced bills in the Senate. Senator Enzi's compromise proposal failed to gain the necessary 60 votes on the Senate floor to cut off debate and proceed to a vote. Some consideration was given to attaching this bill to legislation that would gain the support of Senate opponents, but these attempts were abandoned as of print date. Supporters of this legislation will push for introduction and passage of legislation next year.

With many issues in Washington pushed off until next year, the title industry could be quite busy next year. Your participation on ALTA committees and your continued contributions to TIPAC are essential to our industry's success in Washington. I urge you to become more active in both of these important areas next year. If you have any questions or comments, feel free to contact me or Charlene Nieman, our grassroots and PAC manager.

Edward C. Miller is ALTA's chief counsel and vice president of public policy. He can be reached at 800-787-2582 ext. 214 or ed@alta.org.

URPERA is On the Move!

By John Jones, Arion Zoe

The Uniform Real Property Electronic Recording Act (URPERA) has now been enacted in five states and the District of Columbia. Delaware and North Carolina enacted URPERA in late 2005. Arizona, Kansas, Texas, and the District of Columbia adopted the Act in early 2006.

That may not seem like much movement, but according to Michelle Clayton, legislative counsel for the National Conference of Commissioners on Uniform State Laws (NCCUSL), adoption is moving at a faster clip than was seen with the Uniform Electronic Transactions Act (UETA). Clayton expects enactment of URPERA to increase dramatically next year, when NCUSSL begins promoting adoption.

An additional eight states introduced but did not adopt URPERA this year. The legislation died in California, Florida, Kentucky, Missouri, and New Mexico and is still pending in Massachusetts, Pennsylvania, and Virginia. Even in the states where URPERA legislation "died," the issue is still alive. It is not unusual for a uniform act to be introduced early to get a sense of support. California, for example, already has legislation supporting e-recording in place, after years of negotiation with the Attorney General. In Florida the legislation was introduced late in the game, and the necessary drivers and support were not in place. Even so, it passed in Florida's Senate but died on adjournment when the House ran out of time to take it up for a final reading.

NCCUSL is planning an educational outreach program to promote URPERA adoption. Details are still in process, but the program will include several regional meetings with interested parties from surrounding states invited to participate. Specific dates, locations, and participants have not yet been determined. At least one location will likely be in the Chicago area where NCCUSL is located.Another method for reaching out may be through a Web site. Development and maintenance of an URPERA site is dependent on budget considerations. Such a site could provide a way to track legislation, provide frequently asked questions (FAQs), and enable the capturing of "lessons learned" from state e-recording commissions as they move through the process of implementation.

All in all, URPERA appears to be in good shape. Next year should see as many as 15 more states enacting it with NCCUSL's backing. That would move adoption close to 50 percent of the United States. Stay tuned…we'll keep you posted!

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Title companies should realize the importance of keeping up-to-date on changes in technology that could enhance their business operations. Whatever your challenges, these experts can help you make improvements to your bottom line. To search further, use the online version of this directory, which allows you to search by product type, location, features and functionality, and compatibility with your hardware, accounting, and other systems.

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member news

Mover & Shakers

CALIFORNIA

Old Republic Title Holding Company, Inc., Walnut Creek, has several announcements. **Bethe Battalio** has been appointed vice president, San Mateo County escrow operations manager. Previously she served as an assistant branch manager and branch manager for Old Republic Title Company.

Jon Fine has been appointed senior vice president, Western division manager of commercial services. Fine joined the company in 1999.

Alicia Kamian has been appointed senior vice president, San Mateo County for Old Republic Title Company, Walnut Creek. She has served as vice president, counsel for Old Republic, Old Republic National, and Old Republic Title & Escrow of Hawaii since 2001.

DISTRICT OF COLUMBIA

Kenneth C. Crickman has joined the Talon Group, a division of First American Title Insurance Company, Washington, D.C., as vice president and counsel. Crickman brings more than 15 years of legal experience. Prior to joining Talon, he worked as an attorney in a large law firm representing banks, insurance companies, and financial institutions.

Dennis J. Vandetti has been promoted to senior vice president – commercial services for the Southeast region for LandAmerica Financial Group, Washington, D.C. He joined the company in 1989 and most recently served as senior vice president – commercial services manager.

MARYLAND

TSS Software Corporation, Annapolis, announces two promotions.

Shelly Fears has been promoted to director of sales. Fears previously served as TSS's director of escrow account reconciliation services.

Richard Sochor has been promoted to vice president and chief technology officer. Sochor was previously TSS's director of software development.

MISSOURI

John T. Conaghan has been hired as president of Old Republic Title Company of Kansas City, Inc. He has served as Kansas, Missouri, and Nebraska state counsel for two major underwriters and general counsel for Executive Hills. Most recently he was an attorney agent.

Relocation

CATIC has relocated its lower Fairfield County, CT, offices from Stamford to Norwalk.

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Elaine English
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Jillinda Isernhagen
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KENTUCKY, CONT.

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Judy Noles-Czachowski
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Thomas Lammert
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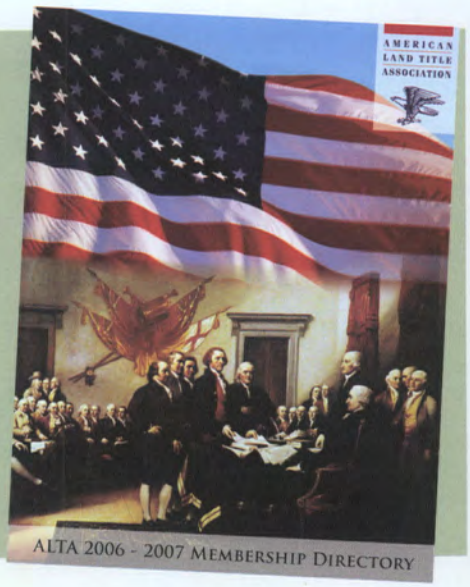
These new members will be added to the 2006-2007 ALTA Membership Directory, due out in early September. Each ALTA member office will receive one complimentary copy of the Membership Directory. Additional copies can be ordered. And look for an expanded search capability for our online membership directory soon.



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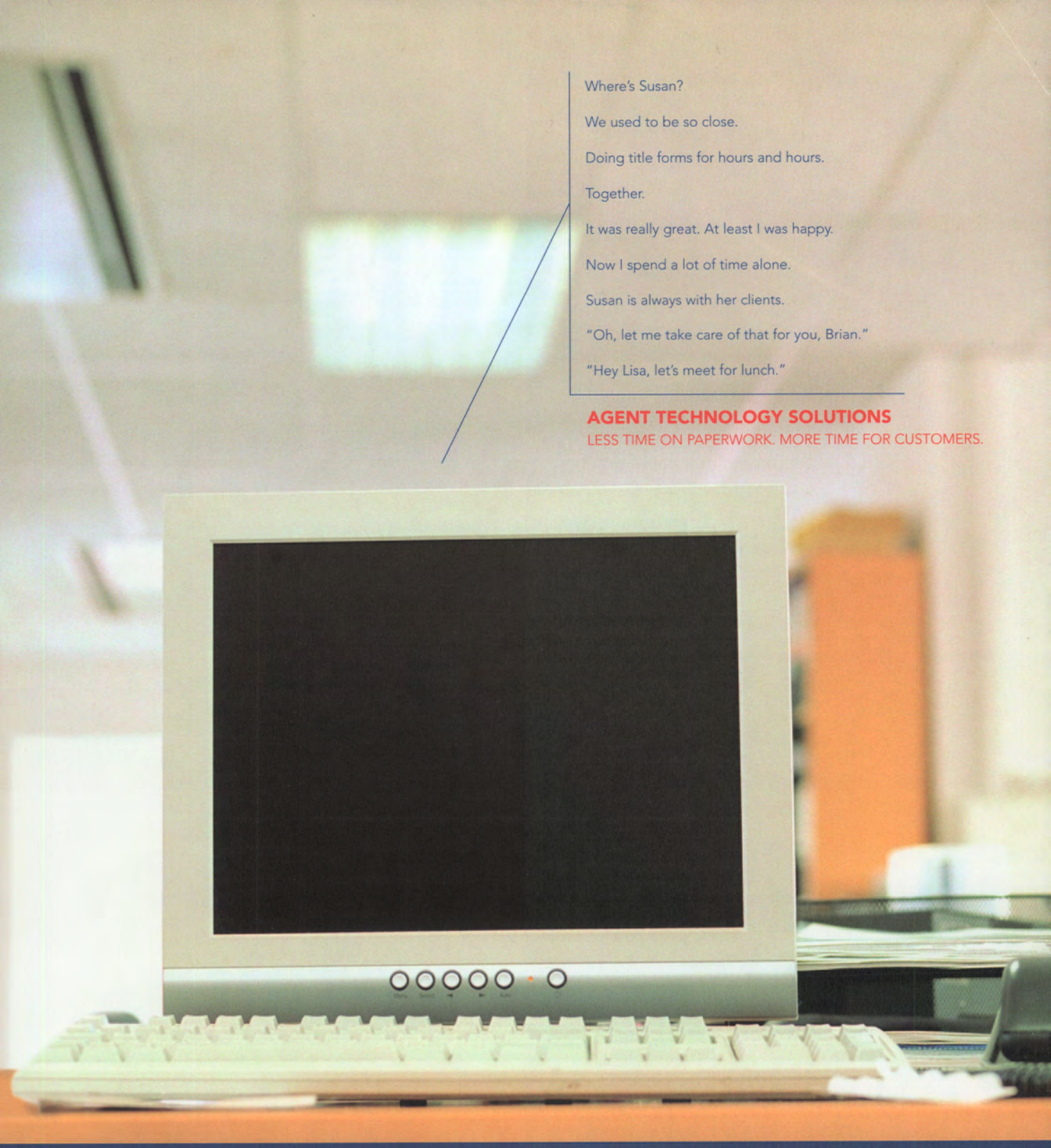

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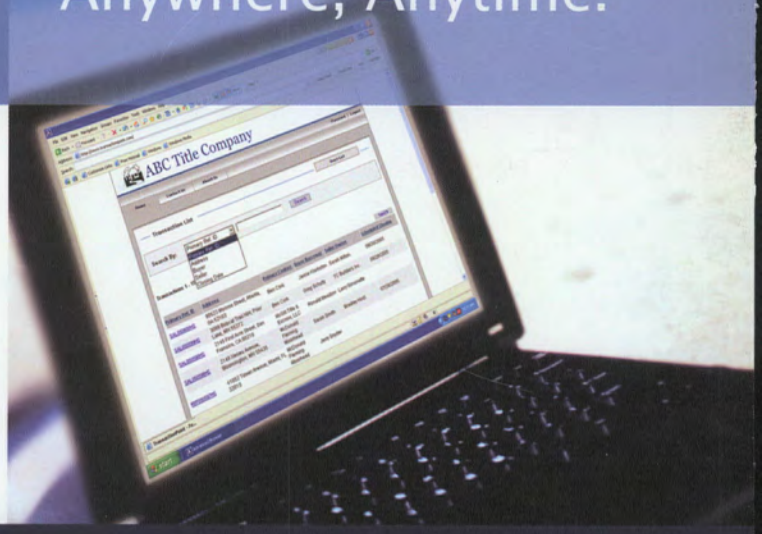

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