

August 4, 2010

NAIC Title Statistical Plan Working Group

c/o Ms. Paula Sisneros
Colorado Division of Insurance
1560 Broadway, Suite 850
Denver, Colorado 80202

Dear Ms. Sisneros:

My firm specializes in the business valuation and analysis of title businesses. Consequently, I spend most of my time hip-deep in their operational and financial systems, unscrambling raw data, and assembling final analyses. Data collection is a thankless job for both the collector and the recipient. I feel your pain.

After speaking with friends and clients in the title industry, it is clear that they realize their responsibility. Surprisingly, added resources and deadlines are not the greatest concern among senior management. They are more worried that these data will provide a handy snapshot of certain costs without fully quantifying benefits. Title insurance is fundamentally different than property or casualty insurance. The primary goal of the title industry is not to efficiently pay claims, but to fix gaps and errors before they lead to claims. The Public is unaware that the industry spends significant resources behind the scenes to make sure that bad things do not happen. Any cost/benefit analysis would be fundamentally flawed without some measure of these savings. It would be like calculating the cost/benefit of Kevlar vests without counting how many bullets were stopped.

I propose that the Working Group explore whether it can develop appropriate benefit metrics that do not create a burden on regulators or the industry. If such an addition is outside the scope of the current effort, it would be helpful if the group's final work product contained clear language that defined the data's goals and limitations. I believe that the title industry fully supports increased transparency. It simply does not want to be harmed by data used out of context.

Thank you for your time. Please let me know if there is any way in which I can help.

Sincerely yours,



Joseph L. Piernock, President
Corporate Development Services, Inc.