

Issues to discuss August 6, 2010

### **Comments received**

Line 28b – Comment: Does this include refinance transactions? Answer: No – It was determined that, if the number of sale/purchase transactions was reported, refinance transactions could then be deduced from the total number of settlements.

Line 63 – Comment: An underwriter does have deductibles if they have a fidelity policy that covers a portion of defalcations. Answer – it is assumed that the underwriter would pay the deductibles in this case, then try to collect from the agent. However, if an agent suffered from defalcation, can it be reasonably assumed that the agent is no longer in business and won't be reporting on this form? If they are still in business, and pay the deductible to the underwriter, wouldn't this show up in the answer?

Line 66 (automatic total) – Comment: Not entirely true since some of the rows are claim numbers. Answer – total will be for monetary values only, not counts.

### **ALTA Comments**

Policy Counts – suggest counting simultaneous issue policies as being a part of one policy, conforming with state page instructions. (Okay, as long as total liabilities of all policies are reported?)

FTE Employees – Breaking quarterly FTEs out is too burdensome and costly. Suggest collecting annual numbers, and individual states can consider more frequent surveys if necessary for their purposes. (Needs discussion with other states)

Confidentiality – Recommend developing confidentiality provision as part of implementation (see discussion on implementation/where to go from here)

Implementation – Recommends cost studies and additional collaboration to identify and remove barriers to implementation. Also recommends beta tests with narrow focus groups to determine effectiveness/feasibility of plan (see discussion on implementation/where to go from here)

Title Agents' Value – continue to work on ways for agents to collect and quantify efforts focused on finding and correcting errors, avoiding claims, and other exam and curative work (see preparation of white paper section below)

### **Corporate Dev. Svcs Comment**

Recommends development of methods to collect exam/curative efforts by title agents. Or, barring that, develop clear language as part of the final plan that defines plan's goals and limitations. (see preparation of white paper section below)

### **Implementation/Where to go from here**

The mission and focus of this working group was to develop a statistical plan for the collection of title insurance agent data, particularly focused on income and expenses, in accordance with the April 2007

GAO report. Now that the plan is nearly complete, further issues need to be discussed at the direction of the Task Force, including implementation procedures, confidentiality, further state studies, etc.

It is recommended that the plan (once motioned and approved by the Working Group) be put forth to the Task Force, with a recommendation that the Working Group reforms with a mission and task to develop implementation guidelines (whether they be model rules, bulletins, or best practices), as well as other concerns like confidentiality, test focus groups, and any other barriers there may be to moving forward.

By moving the plan forward now, and reforming to discuss implementation, the Working Group can focus solely on how best implement a plan that is approved, rather than risk continuing to discuss the actual points of data in the plan.

### **Preparation of White Paper**

It is recognized that this plan does not cover every possible focal point of a title insurance agent's business, particularly lacking in data which will quantify exam/curative work that is unique to the business of title insurance. The plan that will be put forward to the Title Insurance Task Force will include a white paper explanation of the plan, and include information on the development process, specific data points collected and their possible uses by regulators, and relative strengths and weaknesses of the report.