

From: Frank Pellegrini [mailto:frank@prairietitle.com]
Sent: Wednesday, April 21, 2010 4:02 PM
To: Sisneros, Paula; Helm, Andy J
Cc: Brian Pitman; Diane Evans; dmennenoh@hbwtitle.com; Justin Ailes; Mary O'Donnell
Subject: Title Stat Plan

Dear Paula and Andy:

Let me first thank you both for taking time to speak with me. We are grateful for the productive communication throughout the process.

The discussion in the conference call of April 15th indicated a few areas in need of clarity as they affect the many differing practices of various states. I'll try to list them herein and suggest that we, as industry representatives, stand ready and willing to help in providing input and field information as you may need in addressing these matters for the proposed data worksheet.

1. **Percentage of Business.** It is not clear what regulators are looking for in this section and what value this information provides. Setting that aside, it is also unclear whether this should be expressed as a percentage of number of policies written or as percentage of premiums. Some discussion revolved around reporting for multiple underwriters and percentage of business going to each. Again, this may be expressed as a percentage of number of policies or a percentage of the premiums remitted. Are regulators interested in market share, raw number of policies issued, or gross premium dollars?
2. **Commencement of Business.** Some agencies were initially formed as abstracters or search companies. Are regulators looking for the date the company was first established or when it began to issue title insurance? In addition, many companies will not be able to determine the date with precision. We would suggest alternative phrasing to obtain relevant information, such as the decade the business was commenced (i.e. "prior to 1950"; "1970 to 1980"; "after 2000"; etc.), or by age of the business using groupings of years (i.e. "older than 50 years"; "25 to 50 years"; "less than 5 years"; etc.) or something along these lines.
3. **Employee Data.** We would suggest that data relating to individual employees be included only if individual licensing is required in the applicable state. Notwithstanding, it may be appropriate to include information relative to the principals of the company.
4. **Closings.** A more appropriate question at line 25 may be: "Does the company perform closings, settlements, or other escrow functions as part of the title agency? If so, how many were performed during the reporting period?"
5. **Third Parties.** References to third parties and with respect to closings, searches, and Q&E reports need more clarity. Companies in some states may well understand, but others may not know what is sought. The same is true for the term 'courtesy closing.' In certain states, settlement services may not be provided except in conjunction with the issuance of title insurance. In addition, since certain state's practices require or expect the use of third parties, the instructions relative to this question need to be very specific and allow for variations in local practices.
6. **Searches.** No parameters are indicated as to what constitutes a 'full search.' Some states have very comprehensive and precise search standards while others have none at all.
7. **Ownership Interests.** In virtually every private enterprise for profit, revenues after expenses (as well as losses) flow to owners whether they are sole proprietors, corporate shareholders, or members of an LLC. It is unclear what is sought in line 43 and for what reason.

8. **Residential v. Commercial.** Considerable discussion was had over whether to include information for residential transactions only or for all business without distinction. Difficulty arises with respect to defining what constitutes a residential transaction as opposed to a commercial transaction. Custom and practice in distinct markets vary greatly. Further, since property values demonstrate profound variations from state to state, county to county, and even town to town, a defining standard based solely upon policy amount would yield incorrect data. It would be helpful if the underlying purpose for the information sought were known in order to properly frame this question.

Thank you for your consideration of the above comments. We hope we can provide feedback to you in this fashion as the process continues. As ever, please do not hesitate to contact Justin or any one of us should you require any specific details.

Best Regards,
Frank

Frank Pellegrini
President
PRAIRIE TITLE

6821 North Avenue
Oak Park, Illinois 60302
p 708.386.7900
f 708.524.3612
www.prairietitle.com

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