



Raymond O. Denham Memorial Award Goes to Jim Russick

Jim Russick, Florida State Underwriting Counsel, was recently awarded the Raymond O. Denham Memorial Award for "outstanding and unselfish service to the Association, to the abstract and title professions and to the public" at the annual Florida Land Title Association convention. Jim is one of only 31 title professionals in Florida to have received the award.

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representative. It is premium that is very much earned by legitimate title insurance agents. Because this argument is so contrary to Florida's regulatory scheme, it is not proper to cite this litigation as evidence that title insurance rates are too high. It is merely evidence of one title group's prejudice toward direct operations at the expense of the best interests of agents. It is also a lack of appreciation for the legislative intent to protect title agent's premiums.

Rather than cite these events and conclude that rates are too high, it would be more appropriate to perfect the data call. Rate making should be based on solidly gathered, legitimate data collected by OIR. There was some discussion regarding the collection of data from agents through the underwriters. Old Republic Title believes that this idea will not work. As was indicated at the workshop, most independent agents represent multiple underwriters. There would need to be a mechanism to preclude multiple reporting. But more fundamentally, many agents write for underwriters with direct operations that compete with them such as the First American group (includes Talon and United General), the Fidelity group (Ticor, Chicago, American Pioneer), Land America Financial (Lawyers Title and Commonwealth Land Title). It would be grossly inappropriate to require an independent title insurance agent to disclose confidential business information to their competitor.

For similar reasons it is not proper for OIR to collect data from independent agents directly. Unless the data could be protected from the Sunshine provisions of our statutes, the data would be available to any competitor. Previously, this problem was solved by the then Department of Insurance hiring an independent actuary to collect and compile the data and report the results. Old Republic Title strongly recommends the same approach.

The current data call is insufficient and we would incorporate by reference and concur with the testimony of Mr. Bob Shear given at the November 8, 2005 workshop. While we understand from comments at the workshop that the current data call is only the beginning, Old Republic Title would like to take this opportunity to highlight certain deficiencies. First, there is no data from agents. Without data from agents, there cannot be compliance with Section 627.782, Florida Statutes. Additionally, there is no data requested regarding mortgagee policies. And fundamentally, there is no data regarding the cost of production of the title insurance product.

During the course of the workshop, it was indicated that the Office is considering a "cap" on related title services. There was also an acute interest in title insurance rates in other jurisdictions. It was openly questioned why title insurance rates are lower in many other states. We believe that if the proper data is collected, it will show that there is a direct correlation between title insurance rates and related title service fees. We believe the data will show that the total cost to the consumer for transactions of the same size will be roughly equivalent in different states. There is a cost to the delivery of the product, and if there is a reduction in rates and a cap on related title services the result to agents in Florida may be catastrophic. Such a two pronged approach to rate reduction would be anti-small business.

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