



State Regulatory Update

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As we go to press for this edition of *In the Title Corner*, it is unclear what OIR will do with the flawed, inadequate and irrelevant data required of the insurers. I can assure you that we will keep you informed of significant developments.

I want to thank those of you who responded to our suggestion to contact OIR on this matter. We received many well-considered and superbly written letters that you sent to OIR. I also want to thank each of you for choosing Old Republic Title as your underwriter and for understanding that your support of underwriters who compete with you for business is in direct conflict with the best interests of your business.

LETTER REFERRED TO IN ABOVE ARTICLE



COMMENTS:

We invite your feedback and welcome your suggestions regarding "*In The Title Corner*" and the publication of future articles. Address correspondence to:

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Via Fax To 850-922-2543 & U.S. Mail

Robert A. Prentiss, Esq.
Assistant General Counsel
Office of Insurance Regulation
200 East Gaines Street
Tallahassee, FL 32399-4026

Re: November 8, 2005 Title Insurance Rules Workshop

Dear Mr. Prentiss:

Old Republic National Title Insurance Company would, first, like to thank the Office of Insurance Regulation for initiating a review of title insurance rates in Florida. We firmly believe that a proper data call, coupled with an in depth understanding of the title insurance business model and statutory scheme, will better serve the industry and consumers of the State of Florida.

Old Republic National Title Insurance Company is unique among the major commercial title insurers doing business in Florida. Our business is transacted exclusively through independent title insurance agents and agencies. Some are corporate and some are attorney agents, but together they constitute the essential delivery system that motivated the Florida legislature to pass statutory protections for this group of primarily small business men and women.

We have reviewed the record of the workshop on title insurance rates held in Tallahassee on November 8, 2005 and are, frankly, very disturbed. The comments and questions from your office gave the listener the sense that not only does your office believe that title insurance rates are too high, but that title insurance agents specifically should bear the primary burden of any reductions. No testimony was elicited in the interests of title insurance agents, a deficiency that is untenable.

Mr. Parton opened the workshop with a statement that "OIR regulates insurers, not agents." We would submit that this is in direct contradiction with Section 627.728, Florida Statutes. In that statute the legislature stated:

"(2) In adopting premium rates, the commission must give due consideration to the following: (b) a reasonable margin for underwriting profit and contingencies..., sufficient to allow title insurers, *agents, and agencies* to earn a rate of return on their capital that will attract and retain adequate capital investment in the title insurance business and *maintain an efficient title insurance delivery system.*" (Emphasis added).

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