



OLD REPUBLIC

National Title Insurance Company



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Good morning, Suzanne.

Here's what I have for you in this month's issue of **ORT News!**:

- **Fourth Quarter** and **Year 2007** Financials;
- What **distinction ORT has held** since 1992;
- What **you need to know** if you choose to switch **E & O Carriers**;
- The **IRS and 1031 Exchanges** - avoid potential pitfalls;
- An answer to **one of your most troublesome** title questions;
- An article about how **most people compare their style of communication to driving**; and,
- A **list of "short"** facts.

Enjoy!

Shannon Skurner

Inside ORT

Take a Look...

The **Fourth Quarter** and **Year 2007 Financial Results** for **ORT** have been released and can be viewed by visiting: <http://www.oldrepublictitle.com/newnational/Index.asp>



Did You Know?

Old Republic National Title Insurance Company has held the distinction of being **the highest rated title insurer** in the nation **since 1992**.

Title Business News

E&O Carriers

Please be aware that **switching carriers may cause** a break in coverage. If your **agency has coverage already** - and you **choose to change** to another carrier, you may risk a break in coverage. Unless the new, or replacement carrier, provides "prior acts" coverage, claims **caused by a negligent act during the policy period of the former policy**, but discovered during the new policy period, **will not be covered** under the new policy. Therefore, **consider the need for continuous coverage before switching** to another carrier.

ORT has **established long term relationships** with two insurers, **AIG** and the **Title Industry Assurance Company ("TIAC")**, that **together insure over 400 ORT agents** nationwide. Our **claims experience with these two carriers has been favorable**.

The **TIAC** policy is **not only endorsed by ORT**, but also **offers ORT agents special premium pricing and enhanced coverage**.

AIG, although not formally endorsed by **ORT**, **offers advantageous premium pricing to ORT agents if the policy is issued through Merriam Insurance Agency**.

The contact information for Merriam Insurance Agency and TIAC is:

The Merriam Insurance Agency
Thomas Lawrence
376 Broadway
Schenectady, New York 12301
516-393-2109
www.merriaminsurance.com

Title Industry Assurance Company ("TIAC")
Rich McCarthy
1612 McGuckian Street, Suite 200
Annapolis, Maryland 21401
443-458-7830

TIAC has a website that is specifically for **ORT** agents to obtain a premium quote and/or to submit an E&O application.
www.cpim.com/tiac/oldrepublic



IRS To Begin Auditing More 1031 Exchanges

Section 1031 of the Internal Revenue Code **allows a taxpayer to roll the gain** from the sale of their old investment property over to the new, **provided they do** certain things. What's **important to understand** is that Section 1031 is a code section that is form-driven, meaning that **you must adhere** exactly to what is required. If you don't - and the Exchange is audited, it **will be disallowed**. Therefore, 1031 Exchanges should only be **handled by those who are very knowledgeable and ethical**.

ORT's 1031 Exchange Division, OREXCO,
is managed by **Alan Hall** who has extensive experience in this area.

Alan can be reached by calling 866-622-1031
or via email at: ahall@orexco1031.com.

Ask Ann...

*ORT's Chief Audit Officer
answers your troublesome
title questions.*



Ann Morris
Chief Audit Officer
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Question: I have a file in which there will be two loans (\$100,000 and \$50,000) with two mortgagee title policies. No owner title policy will be issued and the borrower does not qualify for a refinance or construction loan credit. Can we issue a second lien mortgagee policy for \$5.00?

Answer: Yes, this is one situation where rate rule R-7 may be applied. Using R-7 of the Basic Manual, the premiums should be calculated as follows:

- Total the combined liens (\$100,000 + \$50,000 = \$150,000).
- The premium for \$150,000 is \$1,110.00.

~\$1,110 is the premium for the first lien - \$100,000 Mortgagee Policy (TDI code 3200)

~\$5 is the premium for the second lien - \$50,000 Mortgagee Policy (TDI code 3220)

If the Lender is requesting a T-19 or T-42 endorsement, these are calculated using a percentage of the Basic Premium Rate. For example, a T-42 endorsement for the \$100,000 lien would be 10% x \$843 = \$84.30. A T-42 endorsement for the \$50,000 Mortgagee Policy would be 10% x \$503 = \$50.30.

*Just remember, **DO NOT** use R-7 if you are issuing an Owner's Title Policy or giving a refinance credit. Rate rule R-1 does not allow us to combine rate rule R-7 with rate rules R-5, R-8, and/or R-18.*



Business Partnership Corner

Is Your Communication Style as Good as Your Driving?

*Most people truly believe they communicate well.
It is similar to how people think they drive - everyone
believes they are an excellent driver.*

There is a long, **long list of things people commonly do very poorly** in communicating with others.

Use these scenarios to help raise your own communication awareness:

1. When in conversation with someone are you **spending more of your time in planning your response** than listening fully to what the other person is saying?
2. Do you have a problem with "dead air"? Do you **jump in with comments of your own?**
3. Do you **allow your thoughts to wander off** instead of maintaining focused attention on the words and feelings of another?
4. Do you **demonstrate that you aren't all that interested** by glancing at your watch, flipping through documents, or do anything else that may indicate you are distracted and/or uninterested?

How are you doing so far? [Read more scenarios here...](#)

Just For Fun...

February Trivia

Even though 2008 is a leap year, the **month of February is the shortest month** of the year.

Here are four other "short" facts:

- The **shortest title of any movie** that received an Oscar is Gigi. The movie won an Oscar for Best Picture in 1958.
- The **shortest street on record** is Ebenezer Place in Wick, Scotland. It is just six feet nine inches long.
- The **shortest player in the National Hockey League** is Brian Gionta of the New Jersey Devils who is five feet seven inches tall.
- The **shortest recorded song** is "You Suffer" (1986), a song by a British band that earned a place in the 2008 Guinness World Book of Records. The recording is precisely 1.316 seconds long.