

Learning from History

A Review of Common Claims

“Those who do not learn from history are doomed to repeat it.”

George Santayana, Philosopher



Old Republic Title

Unsurpassed Financial Ratings

Company	A.M. Best	Moody's Ratings	Standard & Poor's
OLD REPUBLIC TITLE	A	A2	A
Fidelity National Title Insurance	A	A3	A
First American Title Insurance Company	A	A3	A-
Stewart Title Guaranty Company	A-	Not Rated	Not Rated

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Rating determinations made by rating agencies are subject to change from time-to-time. While the Company attempts to show accurate information, it cannot assure the reliability of ratings referred to herein and assumes no obligation to monitor the ratings of any rating agency, or to immediately incorporate any rating changes applicable to the Company.

Strength and Stability for Over a Century



MISSISSIPPI VALLEY TITLE

Old Republic Title Insurance Group

Financial Strength Ratings

Since 1992, no other title insurer has had higher overall ratings.

1

70%

Goodwill & Intangibles

Only 3.4% of GAAP assets

Unsurpassed Financial Strength

Statutory Reserves & Surplus

17 times 5 year average claim payments

65%

80%

Cash & Invested Assets

363% of 5 year aggregate claim payments

Basic Claims Considerations for Underwriters

1

Duty to Indemnify

2

Duty to Defend

3

Ambiguities



Fundamental Underwriting Considerations

1

**Risk Avoidance and Risk
Minimization**

2

Marketability of Title

3

Off Record Risks



Underwriting Red Flags



1

Another attorney or company has declined to insure the transaction.

2

A policy is requested where there is no arms-length transaction.

3

The seller is not willing to sign a warranty deed.

Extra-Hazardous or Unusual Risk

Supervisory Office Approval Required Before Issuing Commitment or Policy

1

Title through tax deed

2

Title through sheriff's deed under an execution sale

3

Title through or dependent on adverse possession

4

Present or threatened litigation

5

Title to land now under or formerly under navigable waters

6

Transactions refused by other insurers

Access Claims

1 The road providing access is not a public road.

2 The mortgaged parcel is landlocked.

3 The abstractor does not search title to the easement.

4 The abstractor does not review the tax assessors plat.

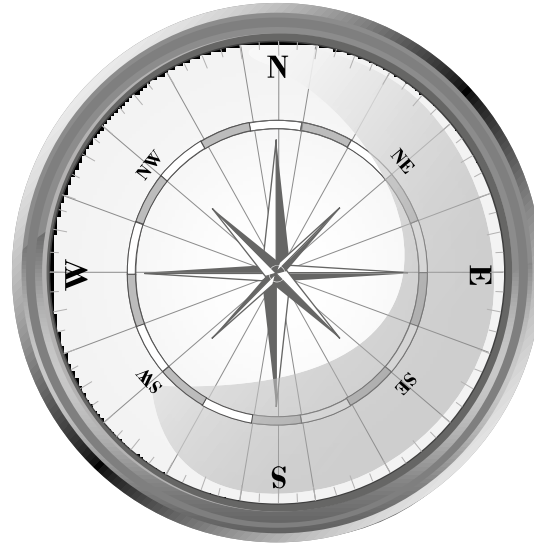


Legal Description Claims

No Legal
Description

Incorrect
description
attached

Property not
intended to be
conveyed



Typographical
Errors

Omits “less and
except”

Description does
not close

Missing Interest Claims

Failure of All Owners to Convey Their Interest in the Insured Property

1

Granting Clause Does Not Include an Owner

2

Owner Does Not Sign the Deed or Mortgage

3

Homestead Disclaimer Above Owner's Signature



Line of Credit Not Properly Closed

- 1** Require the borrower to freeze line of credit prior to closing.
- 2** Confirm payoff amount the day of closing.
- 3** Obtain written authorization from borrower to close the line of credit.
- 4** Retain transmittal letter and confirmation of delivery of payoff and written authorization to close the line of credit.
- 5** Follow up post-closing to make sure the mortgage is canceled of record.

Forgery Red Flags

1

Deed or mortgage signed outside settlement agent's office.

2

Deeds between family members are at a higher risk of being forged.

3

Borrower produces a payoff statement or release of mortgage.

4

A mortgage is released without a record source of funds to satisfy the mortgage.

5

A party asks to sign using a power of attorney.



Thank you for your attention!



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