

Title Insurance Industry Market Share and Financial Statement compilations for the 1st Quarter of 2009 are now available on the ALTA website (www.alta.org/industry/financial.cfm).

The title insurance industry achieved a substantial reduction in operating expenses during the 1st Quarter of 2009. However, the industry continued to experience the slowing of real estate sales, a slow pickup of refinances and a continuing reduction of title insurance transactions and revenues. Offsetting this was a substantial (48.9%) reduction in loss and loss adjustment expenses, resulting in the industry posting an operating loss of \$127.5 million. This contrasts with an operating gain of the \$59.9 million for the corresponding 2008 1st Quarter and an operating loss of \$711.9 million for the full year 2008.

This operating loss, combined with an 85% decrease in net investment gain and an increase in income taxes, resulted in a Net Loss for the 1st Quarter of \$117.4 million, as compared to Net Income of \$224.8 million for the 1st Quarter of 2008 and a Net Loss of \$438.3 million for the full year 2008.

Despite these struggles, the industry remains in a strong financial position with Admitted Assets of over \$8.7 billion, including over \$7.4 billion in Cash and Invested Assets. Also, Statutory Reserves were in excess of \$5.2 billion and Statutory Surplus was over \$2 billion.

The 1st Quarter of 2009 marked the 12th consecutive quarter in which title premiums written declined from the prior year's equivalent quarter. However, this was the first of the twelve where the quarterly decline was less than the prior quarter's decline. In fact, the 1st Quarter 2009 decline of 25% was less than the first quarter 2008 decline (over 26%), the second quarter 2008 decline (almost 28%), the third quarter decline (over 30%) and the fourth quarter decline of 34%. Although poor markets have continued, the rate of decline is slowing.

On a state-by-state basis, 48 states plus the District of Columbia show written premiums declining in the 1st Quarter 2009 over 1st Quarter 2008. Forty-one states, plus the District of Columbia declined over 10%. However, only one state (Delaware) declined over 40%. Eleven states, including four of the seven largest, declined more than 30%. Fifteen states plus the District of Columbia were down between 20 and 30%. Only two states showed increases, with Alaska up 12% and South Dakota up almost 4%. The four largest states in terms of written premiums, California, Texas, Florida and New York were down 8, 32, 40 and 39%, respectively. The seventh largest, New Jersey, was down 35%.