Title Insurance Industry Market Share and Financial Statement compilations for the 2nd Quarter of 2009 are now available on the ALTA website (www.alta.org/industry/financial.cfm).

The title insurance industry continued to reduce operating expenses during the 2nd Quarter of 2009. It also saw a substantial (34.8%) reduction in loss and loss adjustment expenses. However, despite an increase in refinancing activity, the industry still experienced an overall reduction of title insurance transactions and revenues. resulting in the industry posting an operating loss of $68.8 million. This contrasts favorably with an operating loss of $264.4 million for the corresponding 2008 2nd Quarter and an operating loss of $711.9 million for the full year 2008.

This lower operating loss was offset by an almost 4-fold increase in net investment gain, resulting in Net Income for the 2nd Quarter of $111.4 million, as compared to a Net Loss of $190.4 million for the 2nd Quarter of 2008 and a Net Loss of $431.6 million for the full year 2008.

Despite the improved 2nd Quarter 2009 results, the poor 1st Quarter results were not fully overcome, resulting in an operating loss of $196.3 million for the first six months of 2009 and a Net Loss of $6.0 million. This compares favorably with an operating loss of $204.5 million for the first six months of 2008 and $507.2 million for the second six months of 2008. Net income was $34.4 million (due to income tax credits) for the first half of 2008, but was a Net Loss of $465.9 million for the second half of 2008.

Consequently, 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 2nd Quarter of 2009 marked the 13th consecutive quarter in which title premiums written declined from the prior year's equivalent quarter. However, as a result of the significant rise in refinance activity in the first two quarters of 2009, this was the second consecutive quarter of the thirteen where the quarterly decline was less than the prior quarter's decline. In fact, the 2nd Quarter 2009 decline of 8.2% was less than any quarterly decline since the second quarter of 2006. Although poor markets have continued, and premium levels continue to fall, the rate of decline is slowing.

On a state-by-state basis, 27 states plus the District of Columbia show written premiums declining in the 2nd Quarter 2009 over 2nd Quarter 2008 (compared to 48 states and D.C. down in the 1st Quarter). Fifteen states (compared to 41 states in the 1st Quarter), plus the District of Columbia declined over 10%. Two states (compared to eleven), including one of the seven largest, declined more than 30%. Four states (compared to fifteen) plus the District of Columbia were down between 20 and 30%. Twenty-three states (compared to only two in the first quarter) showed increases, ranging from increases of 3.2% (Washington) to 72.1% (North Dakota). The largest state in terms of written premiums, California, was up 7%. The next three largest, Texas, Florida and New York were down 21, 31 and 29%, respectively. The fifth largest, Pennsylvania, was up 4%.