

Title Insurance Industry Market Share, Statistical Analysis and Financial Statement compilations for the 4th Quarter and the full year, 2010 are now available on the ALTA website (www.alta.org/industry/financial.cfm).

After four consecutive years of declining Title Insurance Premiums Written, 2010 showed a leveling off, with premiums written in 2010 up .2% over premiums written in 2009 (and up 2.2% after changes in accounting principles were applied to 2009). Total Operating Income, however, was down for the fifth consecutive year, but the decline was only .6%.

In addition, Loss and Loss Adjustment Expense increased 9% over 2009, while Operating Expenses declined only .8%. This left an Operating Loss of over \$206 Million compared to an Operating Loss in 2009 of \$134 Million. When coupled with a substantial reduction in Investment Income and other items, the result is a Statutory Net Loss of over \$102 Million in 2010, compared to a Net Income of almost \$400 Million in 2009.

Despite the difficult operating conditions, the industry remains in a very strong financial position. Total Assets remain at over \$8.8 Billion, with Cash and Invested Assets growing 1.1% over year end 2009 to almost \$7.7 Billion. Statutory Reserves fell slightly (4.3%) as a result of claims settlements, but remain at over \$4.9 Billion. Statutory Surplus grew 6.3% to almost \$2.7 Billion.

After 13 consecutive quarters in which Title Premiums Written declined from the prior years equivalent quarter, the 3rd Quarter of 2009 ended this string with an increase over the 3rd Quarter of 2008. The following two quarters continued the upward movement, but the 2nd and 3rd Quarters of 2010 reversed this trend, each showing declines. The 4th Quarter of 2010, however, once again reversed direction and produced a gain of 7.6% over the 4th Quarter of 2009 (before an accounting principle change and a 16.3% increase after the change).

On a state-by-state basis, 29 states, plus the District of Columbia, showed 4th Quarter 2010 written premiums increasing over 4th Quarter 2009 and 21 states recording decreases. Six states were up over 30%, five between 20 and 30% and eight between 10 and 20%. Only two states were down over

20%, with the remaining 19 states down less than 10%. The six largest states all recorded increases, with Texas (#2) at plus 17.6% and New York (#4) up 21.2%.

For the full year, 29 states recorded decreases from 2009 levels, but 20 of those declined less than 10% and 8 of the remaining were under by less than 20%. Of the 21 states and the District of Columbia showing year-over-year increases, 19 were up less than 10%, 2 were up less than 20% and the District of Columbia recorded an increase of 34.7%.