

2015 Year-end Title Insurance Industry Market Share Executive Summary



Title Insurance Industry Market Share, Statistical Analysis and Financial Statement compilations for the 4th Quarter and the full year, 2015 are now available on the ALTA website (www.alta.org/industry/financial.cfm).

2015 was an interesting year for the title insurance industry with Net Income almost the same as 2014 (\$788.2 Million in 2015 versus \$799.6 Million in 2014). However, they got there after a series of increases and decreases. Title Insurance Premiums Written were up 15.8% from the prior year and Total Operating Income was up 11.8%. However, Operating Expenses were also up 14.1% (\$1.5 Billion, of which \$1.3 Billion were Agents' Commissions, which reflected a substantial increase in premiums written by Agents). Loss and Loss Adjustment Expenses were down 9.3% resulting in Net Operating Gain improving by 3.3%. A 24.2% increase in Net Investment Gain, offset by a 45.8% increase in Federal Income Taxes resulted in 2015 Net Income down only 1.4% from 2014.

These positive operating results further strengthened the industry's already strong financial position. Total Assets were almost \$9 Billion, Cash and Invested Assets exceed \$8 Billion and Statutory Surplus exceeds \$3.9 Billion. Statutory Reserves were down \$9 Million, but remain at over \$4.3 Billion.

After 7 consecutive quarters in which Title Premiums Written increased from the prior years equivalent quarter, the 4th Quarter of 2013 ended this string with a decrease of 6.9% over the 4th Quarter of 2012. The 3rd Quarter of 2014 became the fourth consecutive quarter with a decrease over the equivalent prior year's quarter. The 4th Quarter of 2014 essentially broke even with a 0.3% increase and the 1st Quarter of 2015 improved upon this change in direction with an increase of 11.1%. The 4th Quarter of 2015 became the fourth consecutive quarter with an increase - up 12.3%.

On a state-by-state basis, 47 states, plus the District of Columbia, showed 4th Quarter 2015 written premiums increasing from 4th Quarter 2014. One state was up over 40%, two states were up between 30% and 40%, 16 states up between 20% and 30%, 18 states up between 10% and 20% and 10 states plus the District of Columbia were up less than 10%. Only three states showed decreases and none was greater than 10%.

Of the ten largest states, all recorded increases with two between 20% and 30% and four between 10% and 20%. The largest state - Texas was up 3.7%, California (the #2 state) was up 7.7%. Florida, the #3 state, was up 15.9%, New York, the #4 state, was up 9.3% and Pennsylvania, the #5 state, was up 18.3%.

For the full year, all 50 states plus the District of Columbia recorded increases from 2014 levels. Twelve states were up less than 10%, 22 states and the District of Columbia up between 10 and 20% and 16 states up over 20%.