Welcome to the Title Insurance (C) Task Force Meeting

- ☐ All audio will be muted upon entry
- Prior to speaking, unmute both Webex & cell phone
- If joined by phone, press*6 to mute/unmute your line
- ☐ Use "Chat" for questions, comments or assistance
- ☐ Tech Help: MeetingTechHelp@naic.org or 866-874-4905
- ☐ The meeting is being recorded





NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

Date: 10/18/21

Virtual Meeting

TITLE INSURANCE (C) TASK FORCE

Tuesday, Oct. 19, 2021

2:30 - 4:00 p.m. ET / 1:30 - 3:00 p.m. CT / 12:30 - 2:00 p.m. MT / 11:30 a.m.- 1:00 p.m. PT

ROLL CALL

Judith L. French, Chair	Ohio	Troy Downing	Montana
David Altmaier, Vice Chair	Florida	Bruce R. Ramge	Nebraska
Lori K. Wing-Heier	Alaska	Barbara D. Richardson	Nevada
Peni Itula Sapini Teo	American Samoa	Marlene Caride	New Jersey
Karima M Woods	District of Columbia	Russell Toal	New Mexico
Colin M. Hayashida	Hawaii	Mike Causey	North Carolina
Vicki Schmidt	Kansas	Jessica K. Altman	Pennsylvania
James J. Donelon	Louisiana	Raymond G. Farmer	South Carolina
Kathleen A. Birrane	Maryland	Larry D. Deiter	South Dakota
Grace Arnold	Minnesota	Michael S. Pieciak	Vermont
Chlora Lindley-Myers	Missouri	Scott A. White	Virginia

NAIC Support Staff: Anne Obersteadt/Aaron Brandenburg

AGENDA

1.	Consider Adoption of its July 13, 2021 Minutes — Director Judith L. French (OH)	Attachment 1
2.	Discuss 2022 Charges— Director Judith L. French (OH)	Attachment 2
3.	Hear a Presentation on Demotech's "Regional Title Underwriter Escrow Theft and Defalcation Prevention Measures" Report —Joseph Petrelli, Paul Osborne, and Douglas Powell (Demotech)	Attachment 3
4.	Hear a Presentation on American Land Title Association's New Policy Forms	Attachment 4

5. Discuss Any Other Matters Brought Before the Task Force
— Director Judith L. French (OH)

— Steve Gottheim (American Land Title Association—ALTA),

Mary Thomas (Stewart Title) and Dan Buchanan (First American Title)

W:\National Meetings\2021\Fall\Agenda\TitleTF_10.19.21.docx

Consider Adoption of its July 13, 2021 Meeting Minutes

—Judith L. French (OH)

Attachment 1



Draft Pending Adoption

Draft: 8/17/21

Title Insurance (C) Task Force
Virtual Meeting (in lieu of meeting at the 2021 Summer National Meeting)
July 13, 2021

The Title Insurance (C) Task Force met July 13, 2021. The following Task Force members participated: Judith L. French, Chair, represented by Michelle Brugh Rafeld (OH); David Altmaier, Vice Chair, represented by Jeffrey Joseph (FL); Lori K. Wing-Heier represented by Alex Romero (AK); Peni Itula Sapini Teo (AS); Colin M. Hayashida represented by Paul Yuen (HI); Vicki Schmidt represented by Heather Droge (KS); James J. Donelon represented by Warren Byrd (LA); Kathleen A. Birrane represented by Erica Baily (MD); Grace Arnold represented by Paul Hanson (MN); Chlora Lindley-Myers represented by Carrie Couch (MO); Mike Causey represented by Timothy Johnson (NC); Marlene Caride represented by Randall Currier (NJ); Russell Toal and Mickey VanCuren (NM); Barbara D. Richardson represented by Hermoliva Abejar (NV); Jessica K. Altman represented by Michael McKenney (PA); Larry D. Deiter represented by Maggie Dell (SD); Scott A. White represented by Mike Beavers (VA); and Michael S. Pieciak represented by Kevin Gaffney (VT). Also participating were: Steven Giampaolo (CO); and Stephanie Noren (OR).

1. Adopted its June 7 Minutes

The Task Force met June 7 to expose revisions to the *Title Insurance Consumer Shopping Tool Template* (Shopping Tool) for a public comment period ending July 5.

Mr. Byrd made a motion, seconded by Mr. Joseph, to adopt the Task Force's June 7 minutes (Attachment One). The motion passed unanimously.

2. Adopted Revisions to the *Title Insurance Consumer Shopping Tool Template*

Ms. Rafeld stated that revisions are specific to the Task Force's 2021 charge to revise the Shopping Tool to include questions and answers about title insurance-related fraud topics, including but not limited to, closing protection letters (CPLs) and wire fraud. The Shopping Tool with revisions red lined (Attachment Two) was exposed on June 7 for a public comment period ending July 5. No comments on the exposed revisions were received. Ms. Rafeld asked if there are any verbal comments anyone might have but did not have time to submit in a letter.

Ronald J. Blitenthal (Old Republic) suggested "relaying" be replaced with "claiming" on page 11. Brenda J. Cude (University of Georgia and NAIC Consumer Representative) concurred.

Mr. Byrd made a motion, seconded by Mr. Johnson, to adopt the Shopping Tool revisions, with the additional edit of replacing "relaying" with "claiming" on page 11. The motion passed unanimously.

3. Heard a Presentation on Business Email Compromises and Other Cybercrimes

Amanda Fritz and Katrina Pistun (Federal Bureau of Investigation—FBI) stated that cyberattacks are becoming more common, and it is really about what we can do to protect ourselves. Back in 2005, mobile phones were not commonplace. Eight years later, almost everyone has a mobile device. Today, just about everything you can think of, from doorbells to thermostats to smart watches, is attached to the internet. All these devices open a larger attack field, placing us in a more vulnerable state. The cybercriminals that are in it for financial gain are the hardest hackers to defend against because they are trusted individuals within a company that usually become disgruntled. Cybercriminals target all business types, including financial organizations (37%); retail (24%); manufacturing, utilities, and transportation (20%); and information and professional services (20%). Cybercrime is expected to cost the world \$1 trillion this year. The FBI Internet Crime Complaint Center (IC3) Database received almost 800,000 cybercrime and fraud complaints in 2020, with losses over \$4.2 billion. There have been \$13.3 billion in losses since 2016, with business email compromises accounting for the largest share of losses. Business email compromise occurs when an email is reporting to be from a known source making a legitimate request but is actually coming from compromised email accounts where the email is being sent by a bad actor. Recent trends include targeting real estate transactions (e.g., title companies, real estate agents, attorneys) and spoof emails; i.e., one small piece of a familiar email address is changed to trick someone. For example, a vendor that regularly interacts with a company sends an invoice, but the bank account number has been modified, tricking the homebuyer receiving the message to wire their down payment. The bad actor will set the emails that are of interest to this particular actor to be auto forwarded to a different email address controlled by the bad actor. Then, they are automatically deleted from the sender's legitimate inbox, allowing the bad actor to then go

Draft Pending Adoption

ahead and respond to those emails without the victim having any idea what is going on. Ransomware, a form of malware that denies the availability of critical data systems by encrypting the data, is a growing threat. The ransom criminal actors' demand has increased from hundreds of dollars to millions of dollars. The increase in ransom is due to the added threat of having an organization's sensitive data released to the public. To avoid infection, systems should be locked down and backed up often. Systems can be rebuilt without paying a ransom if the backup data was encrypted. The FBI was able to seize about half of Colonial Pipeline's \$4.4 million ransom payment. Reports from Microsoft and Google say that multi-factor authentication will stop nine out of 10 cyberattacks. The victim should, after experiencing business email compromise: 1) immediately notify their bank and request a recall of the transfer; 2) submit a complaint to the FBI so the IC3 Recovery Asset Team can take action; and 3) reset passwords, use multi-factor authentication, and review logs. That deals with ransomware, but it denies the availability of critical data systems by encrypting the data.

Mr. Byrd asked how one could set up multi-factor identification. Ms. Fritz said most email providers have a setting option for multi-factor identification. For instance, an email or text is sent with another code that must be entered, in addition to the username and password, before access is granted to the account.

4. Heard from State Insurance Regulators About Title Insurance Fraud Trends

Ms. Rafeld stated that a request was sent out on Jan. 28 to Antifraud (D) Task Force members asking them to share reports of title insurance fraud and/or mortgage fraud trends in their state. This item relates to the Task Force's charge to assist the Antifraud (D) Task Force in combating fraud.

Ms. Noren stated that before Oregon cracked down, it was seeing a rise in fraudulent settlement activity. In one case shortly before Christmas in 2018, a family purchasing a home received an email they presumed was from their title insurance company with instructions to wire \$123,000. The email address looked exactly like that of its title insurance company. By the time the consumer figured out it was a scam, the money had been transferred to five different banks and then out of the country. The title insurance company actually hired the consumer to be a spokesperson for their campaign against cybercrime. The investigation revealed that the title company's email was actually clear and had not been hacked. It was likely a personal email address from someone within the company who was involved in it somehow. The email accounts of the financial services company were protected, but it appears it came from a cell phone.

Ms. Rafeld stated that Ohio had a similar case approximately two years ago where the consumer's email had been hacked. The funds were traced to a bank in Texas where they were frozen and then returned to the consumer.

Ms. Couch stated that Missouri is seeing a downward trend, but a couple months ago it had an incident with a title company that issued a check to the seller in an in-person closing. By the time the seller tried to deposit the check at the bank, the title company received an email asking for a stop payment to be put on the check because it had been wired to another account. The excuse in the email was that they were doing an audit on the seller's bank account. The title company automatically placed the stop payment and wired the funds without contacting the seller. The seller tried to contact the title company to resolve the matter when their checks started bouncing. The Department of Insurance (DOI) became involved after the consumer was unsuccessful with the title company. The title company suffered the loss and had to make the seller whole. In most cases, the extra step of calling somebody and confirming the requested transaction was not taken. The title company had cyber coverage but was unable to make a claim, as it had not taken those extra verification steps. There was also an instance where a seller contacted the DOI from Australia saying he had never received funds from the sale of a piece of property. It appeared that the email account of the real estate agent that was involved had been hacked, and instructions were included to send money to a different bank account. Educating agents and closers on the need to be diligent about following up with phone calls is very important.

Ms. Rafeld stated that she agreed, and she has found that many titles and real estate agents do not use secure email accounts.

Mr. VanCuren stated that \$1.2 million has been stolen from consumers in New Mexico. There was \$300,000 taken out of New Mexico from a closing deal in a small town. In another case, an agent in a small county lost thousands of dollars and now has to sell the company to cover the loss. Another agent incurred substantial costs, getting their systems running again after a cyberattack.

Mr. Giampaolo stated that Colorado has been concerned with defalcations. In April 2020, the DOI issued advisories on its website and emailed title insurance underwriters to encourage the offering of CPLs to both buyers and sellers of real estate transactions. The market has been robust, and defalcations have not been an issue.

Draft Pending Adoption

Ms. Rafeld stated that even though it is mandated, CPLs are not always offered in Ohio. The proactive steps Colorado took were a good idea, given the high number of home purchases and refinances in the current market.

Having no further business, the Title Insurance (C) Task Force adjourned.

 $W: \label{lem:weighted} W: \label{lem:weighted$

Discuss 2022 Charges

—Director Judith L. French (OH)



2021 Adopted Charges

The Title Insurance (C) Task Force will:

- 1. Monitor issues and developments occurring in the title insurance industry, and provide support and expertise to other NAIC committees, task forces and/or working groups, or outside entities, as appropriate.
- 2. Review and assist various regulatory bodies in combating fraudulent and/or unfair real estate settlement activities. Such efforts could include working with the Antifraud (D) Task Force and other NAIC committees, task forces and/or working groups to combat mortgage fraud and mitigating title agent defalcations through the promotion of closing protection letters (CPLs) and other remedies. Report results at each national meeting.
- Consult with the Consumer Financial Protection Bureau (CFPB) and other agencies
 responsible for information; education; and disclosure for mortgage lending, closing
 and settlement services about the role of title insurance in the real estate
 transaction process.
- 4. Consider the effectiveness of changes in financial reporting by title insurance companies, and identify further improvements and clarifications to blanks, instructions, Statement of Statutory Accounting Principles (SSAPs), solvency tools, and other matters, as necessary. Coordinate efforts with the Statutory Accounting Principles (E) Working Group.
- 5. Revise the Title Insurance Consumer Shopping Tool Template to include questions and answers about title insurance-related fraud topics, including but not limited to, CPLs and wire fraud.
- 6. Evaluate the effectiveness of CPLs, including but not limited to, intent, state regulation and requirements, consumer protections offered and excluded, and potential alternatives for coverage.
- 7. Explore short-term and long-term issues and solutions from the pandemic.

Send Proposed Updates for 2022 to aobersteadt@naic.org

Hear a Presentation on e ote s e ional Title nderwriter scrow The t and De alcation revention Measures e ort—Joseph Petrelli, Paul Osborne, and Douglas Powell (Demotech)

Attachment 3



An Introduction of Demotech, Inc.'s Research and Thoughts on Consumer Exposure to Escrow and Settlement Theft.

NAIC Title Insurance Task Force October 19, 2021

Joseph L. Petrelli, ACAS, MAAA (MBA)
Paul D. Osborne
Douglas A. Powell



An Introduction to Demotech, Inc.

Incorporated in 1985, Demotech is a financial analysis firm specializing in evaluating the financial stability of independent regional and specialty insurers.

The first to review and rate independent, regional, and specialty insurers, our philosophy is to review and evaluate insurers based on their area of focus and execution of their business model (Title insurance coverage – 1992).

The Demotech Company Classification System categorizes insurers by operational categories, i.e., business models.

Search YouTube using "Worldwide with Kathy Ireland Demotech"



Joseph L. Petrelli President



DT Milestones

- Co-Founded Demotech in 1985
- Spearheaded creation of Financial Stability Ratings™ (FSRs) based on balance sheet financial integrity evaluation and the quality and quantity of reinsurance
- Developed a Management Audit Process a decade in advance of today's emphasis on Enterprise Risk Management
- Created procedure to review and rate start-up insurance companies, thereby resurrecting Florida's homeowners' insurance market (1996)

Experience

- Began career at the Insurance Services Office before it was Insurance Services Office!
- Former positions with Agway Insurance Company and Nationwide Mutual Insurance Company
- Consulting Actuary 1980 to 1985
- Driving force behind formation of Buckeye Actuarial Continuing Education, affiliate of Casualty Actuarial Society.

Degrees & Designations

- $\circ\quad$ BS in Actuarial Science from The College of Insurance (now St John's University)
- MBA from The Ohio State University
- \circ $\,\,$ Member in good standing of the Casualty Actuarial Society, Associate
- Member of the Society of Actuaries, Associate
- Member of the American Academy of Actuaries



Paul Osborne Senior Financial Analyst



DT Milestones

- Joined Demotech in 2005
- Oversees the data utilized by Demotech in the analysis of insurance companies, Title underwriters, statistical reporting of rating bureaus, consulting work and statements of actuarial opinion
- Maintains corporate databases
- Develops custom reporting and graphics for client projects
- Designs systems to help regulate internal processes and facilitate client projects and client management

Experience

- Worked in the insurance industry at both Property & Casualty and Managed Care companies
- Serves as Editor-in-Chief of the annual Demotech Performance of Title Insurance Companies
- Authored articles concerning the financial stability and status of the Title insurance industry for various trade journals
- Contributes as an analyst on the Insurance Journal's annual Salary Survey and Agency Errors & Omissions Study

Degrees & Designations

BS in Mathematics and Statistics from Miami University

Douglas A. Powell Senior Financial Analyst



DT Milestones

- Joined Demotech in 2006
- Provides financial and business analysis in the formulation and monitoring of Financial Stability Ratings® (FSRs) for Title underwriters and P&C insurance companies
- Directs communications with clients to assist them in completion of rigorous financial analysis
- Editor of *Analysis of Risk Retention Groups*, an on-line report published quarterly providing a comprehensive review of current financial data on risk retention groups

Experience

- Worked as an accountant and auditor in the not-for-profit and government sectors before joining Demotech
- Authored and co-authored numerous articles and reports in industry trade journals including *Risk Retention Reporter, Insurance Journal, Insurance Advocate,* and *The Title Report*
- \circ $\;$ Thousands of quarterly and annual financial statements reviews completed.

Degrees & Designations

- MBA in Finance from Ashland University
- BA in Accounting/Finance from Tiffin University



W. Burke Coleman Chief Regulatory & Compliance Counsel



DT Milestones

- Served as Legal Counsel at Demotech from 2012-2016
- Rejoined Demotech in 2020 as Chief Regulatory & Compliance Counsel
- Manage all legal, regulatory and compliance matters

Experience

- Previously served as Special Agent with the FBI
- Worked as attorney in private practice representing small businesses & individuals
- Authored monthly column appearing in *Claims Journal* and articles published in other trade journals including *Insurance Journal, Insurance Advocate, Captive Insurance Times, & Agents of America*

Degrees & Designations

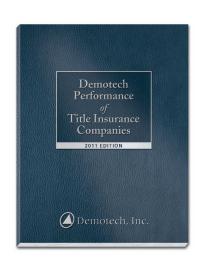
- JD, Capital University Law School
- BA in History, Bowling Green State University

Our Perspective of the Title Insurance Industry

Began with an MBA Research Project in 1986!



The Performance of Title Insurance Companies



- Extensive Market Share Reports
- ▶Position Analysis
- Statutory Financial Statements for the Industry, Groups and Individual Underwriters
- Financial Ratios and Analysis
- Industry, Group and Underwriter Dashboards
- Jurisdiction Dashboards
- ▶Enterprise PDF or Annual Printed Editions

Demotech has been at the cutting edge protecting the integrity of lender collateral since 1992, when we became the first to rate title underwriters.

In 1992, two years prior to the government sponsored enterprises introducing a requirement for title underwriter financial ratings in 1994, Demotech reviewed and assigned to every title underwriter in the country a Financial Stability Rating[®].

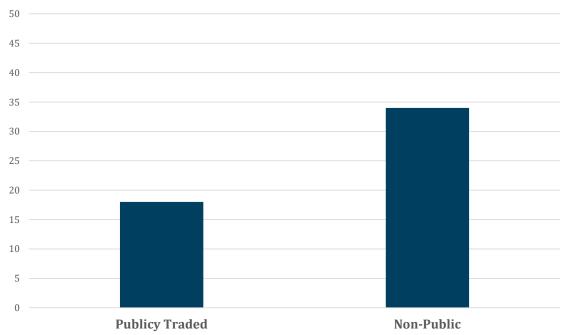
Since 1992, Demotech has reviewed and rated every title underwriter in the country, including a review and affirmation on their quarterly statements, with an annual review of defalcation mitigation processes and agency appointment criteria.

The title underwriters that Demotech reviews and rates – the entire title underwriter sector from the largest to the smallest – have protected the marketability of title to the real property comprising collateral for mortgages since 1992.

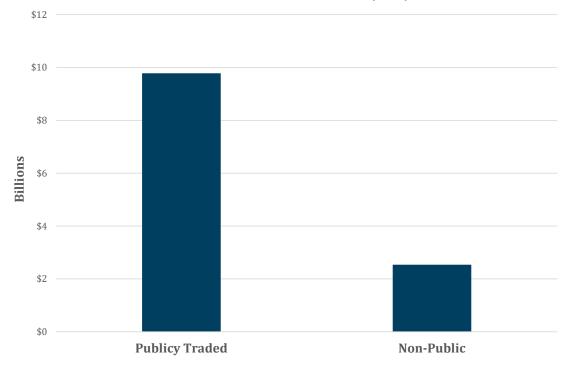
By Count, Smaller, Independent, Regional and Specialty Underwriters Dominate the Title Industry



Title Underwriter Counts Based on Data Reported as of 6/30/2021



But Direct Written Premium as of 6/30/2021



An Overview of the Analysis Process That We Use to Review and Rate Title Underwriters



Initial Financial Stability Rating® Assignment

- > New Company versus Established Company
- Relevance of Historical Operating Experience
- Capital Structure
- Ownership
- Management
- > Business Plan
- Geographic Distribution
- Competitive Advantage

Financial Considerations

- Capital adequacy
- Quality and liquidity of invested assets
- > Loss and loss adjustment expense reserves
- Multiple leverage ratios
- > Underwriting results
- > Ability to serve niche markets
- > Adequacy of rate levels
- > Quality and quantity of reinsurance

Third Party Agreements

- National Agents
- Actuarial Services
- > Independent Auditor
- Litigation Services
- > Asset and Investment Management
- Business Processing Services
- Legal Services

Quarterly and Annual Review and Evaluation

- Statutory Filings
- Quarterly and Annual Statement Filings
- All Exhibits and Schedules Including Footnotes
- Statement of Actuarial Opinion as regards Loss and LAE Reserves (1996 - Conference of Consulting Actuaries)
- Independent Audit
- Financial Examinations
- Management Discussion and Analysis

Monitoring of Our FSRs is Constant Throughout the Year!

Escrow Theft Prevention Study

Escrow Theft Prevention Study

- For more than 30 years, Demotech has observed and reported on the impact of escrow theft on the Title industry.
- Fince 2014, Demotech annually requests all Title underwriters assigned a Financial Stability Rating® to submit information pertaining to their procedures, practices, and protocols to protect consumers and stakeholders against escrow theft.

Escrow Theft Prevention Study (cont.)

Title underwriters provide at least, the following information:

- Summary of current reinsurance
- Agent review process
- Defalcation prevention procedures
- Mediation procedures
- Details on incidents.



Escrow Theft Prevention Study (cont.)

- The information Demotech receives as part of this study is confidential and is not shared at an individual underwriter level.
- The information contained herein reflects the aggregate results Title underwriters that provided sufficiently detailed information to permit categorizations.

2020 Escrow Theft Prevention Study Results: Agent Review Process

- ▶ 70% require a formal application process
- ▶ 68% require an independent verification of a person's license
- ▶ 70% require an independent verification of an agency's license
- ▶ 58% conduct a committee review of a potential agency appointment
- ▶ 70% examine the agent's latest escrow reconciliation
- ▶ 62% request a sample of their work (i.e. a commitment and a policy) and then completes an independent review of what the agent typically does

2020 Escrow Theft Prevention Study Results: Agent Review Process (cont.)

- ▶ 58% conduct a background check of potential agents
- ▶ 57% conduct a credit check of potential agents
- ▶ 53% conduct a social media search of potential agents
- ▶ 53% have a crime bond to protect policyholders in the event criminal activity is discovered
- ▶ 58% have a fidelity bond to protect policyholders in the event fraudulent acts are discovered
- ▶ 51% have a surety bond
- ▶ 64% have E&O coverage on agents
- ▶ 45% conduct independent investigations of actual or potential cyber security risks within the last year

2020 Escrow Theft Prevention Study Results: Prevention Procedures

- ▶ 58% check the balance of escrow accounts at least quarterly
- ▶ 34% conduct agent reviews on a monthly basis
- ▶ 66% conduct agent reviews on an annual or bi-annual basis
- ▶ 51% conduct their agent reviews as a committee
- ▶ 49% use proprietary software or an existing program to monitor agency activity



2020 Escrow Theft Prevention Study Results: Mediation Procedures

- ▶ 47% have a specific corporate policy on mediation procedures
- ▶ 51% conduct their mediation procedures as a committee
- ▶ 55% conduct a probability review of its agency base



Summary of Results

- Overall, the aggregate results seem satisfactory
- 93 percent conduct a formal application process
- ▶ 88 percent conduct agent reviews on at least an annual basis
- Only four instances of escrow theft were reported to us for July 1, 2019 to June 30, 2020

CLOSING PROTECTION COVERAGE

In a Closing Protection Letter, the underwriter agrees to reimburse the addressee if the title agency is guilty of fraud or dishonesty in handling the closing money or documents, which courts have said covers more than just theft of the loan money, or if the closer fails to follow certain written closing instructions.

From the ALTA Closing Protection Letter:

In consideration of Your acceptance of this Coverage, [Blank Title Insurance Company] (the "Company"), agrees to indemnify You for actual loss of Funds incurred by You in connection with the closing of the Real Estate Transaction conducted by the Issuing Agent or Approved Attorney on or after the Date of this Coverage, subject to the Requirements and Conditions and Exclusions set forth below:

NAIC Group Code ..

Affix Bar Code Above

NAIC Company Code

CYBERSECURITY AND IDENTITY THEFT INSURANCE COVERAGE SUPPLEMENT For The Year Ended December 31, 20_ (To Be Filed by April 1)

Company Name											
If the reporting e	ntity writes any st	and-alone cybersec	urity insurance co	overage, please pro	vide the followi	ng:					
1. Stand-Alon	e Cybersecurity Ir	isurance Policies									
									ense and Cost		
Number of C	laims Reported	Direct Pre	miums 4	Direct L	osses 6	Adjusting and	Other Expenses	Cont	ainment 10	Number of Po	licies in Force
First Party	Third Party	Written	Earned	Paid	Incurred	Paid	Incurred	Paid	Incurred	Claims-Made	Occurrence
	•	\$	\$	\$	\$	S	S	\$	\$		
	ntity writes any st se Identity Theft Ir	and-alone identity t isurance Policies	heft insurance co	verage, please prov	ride the followin	ıg:					
1							Direct D	efense and Cost	10	\neg	
Number of	Direct	Premiums		Losses		d Other Expense		ntainment	Number		
Claims Reported	Written	3 Earned	4 Paid	5 Incurred	6 Paid	7 Incurred	8 Paid	9 Incurred	Policies in Force		
Reported	S	S	S	2	2	2	S	2	III Poles	-	
3. Cybersecur	ity insurance that	is part of a package	policy				Direct Defense and	Cost			ı
Number of (Claims Reported	Dire	ct Losses	Adjusting	and Other Exper		Containment		Number of Poli	cies in Force	
1	2	3	4	5	6		7	8	9	10	
First Party	Third Party	Paid	Case Reserve	s Paid S	Case Re	serves 1	aid Cas	e Reserves (Claims-Made	Оссштепсе	
		earned for the cybo	ersecurity coverag	ge provided as part					Yes [] No	[]	
©1994–2015 Na	tional Association	of Insurance Com	nissioners		Supp74						P/C

©1994-2015 National Association of Insurance Commissioners

CYBERSECURITY AND IDENTITY THEFT INSURANCE COVERAGE SUPPLEMENT (Continued) For The Year Ended December 31, 20_ (To Be Filed by April 1)

	3.2	If the res	ponse to question	n 3.1 is yes, provide	the quantified o	r estimated direct pr	emiums written and	direct premium earned	l amount for cybers	ecurity insuran	ce included in	package policies:
										Cyberse Insura Direct Pre Writt	nce emiums	Cybersecurity Insurance Direct Premiums Earned
		3.21 A	mount quantified	Ŀ						\$\$		\$
		3.22 A	mount estimated	using reasonable ass	umptions:					\$\$		\$
	3.3	If the liab	oility portion of a	cybersecurity policy	y is a claims-ma	ide policy, is an exte	nded reporting endo	rsement (tail coverage)) offered?	Yes []	No []	
If th	е геро	rting entit	y writes any ider	itity theft insurance o	overage that is	part of a package po	licy, please provide	the following:				
4.	Iden	tity theft i	nsurance that is p	oart of a package poli	icy							
	Ni	l imber of	Dire	ct Losses	Adjusting as	nd Other Expenses		ense and Cost ainment	8 Number of	7		
		Claims	2	3	4	5	6	7	Policies			
	K	eported	Paid \$	Case Reserves	Paid \$	Case Reserves	Paid \$	Case Reserves	in Force	-		
	4.1		•	•				quantified or estimated ect premiums earned:	1?	Yes []	No []	
	4.2	If the res	ponse to question	n 4.1 is yes, provide	the quantified o	r estimated direct pre	emiums written and	direct premium earned	amount for identi	y theft insurance Identity Insura Direct Pre	Theft nce	oackage policies: Identity Theft Insurance Direct Premiums
										Writt		Earned
		4.21 A	mount quantified	Ŀ						\$		\$
		4.22 A	mount estimated	using reasonable ass	umptions:					\$\$		\$

Supp75

Demotech, Inc.

P/C

Supplemental Exhibit

By adding the supplemental data request for the P&C industry regarding Cyber Insurance, the NAIC was able to produce the "Report on the Cybersecurity Insurance and Identity Theft Coverage Supplement" on December 4, 2020

Exhibit 1 - Top 20 Groups Writing Stand-Alone Cyber Insurance by Direct Written Premium

Rank	Group Code	Group Name	Direct Written Premium	Loss Ratio (including DCC)	Market Share	Cumulative Market Share
1	968	AXA INS GRP	229,680,495	65.7%	18.2%	18.2%
2	12	AMERICAN INTL GRP	226,197,036	55.4%	17.9%	36.0%
3	3548	TRAVELERS GRP	144,024,469	34.1%	11.4%	47.4%
4	4942	BEAZLEY GRP	141,518,827	21.3%	11.2%	58.6%
5	158	FAIRFAX FIN GRP	65,007,279	51.6%	5.1%	63.8%
6	3416	AXIS CAPITAL GRP	49,609,908	11.8%	3.9%	67.7%
7	23	BCS INS GRP	44,651,402	39.7%	3.5%	71.2%
8	212	ZURICH INS GRP	43,672,159	86.9%	3.5%	74.7%
9	3098	TOKIO MARINE HOLDINGS INC GRP	35,169,690	19.0%	2.8%	77.4%
10	111	LIBERTY MUT GRP	29,661,573	49.8%	2.3%	79.8%
11	3219	SOMPO GRP	23,396,472	35.7%	1.8%	81.6%
12	4734	APOLLO GLOBAL MGMT GRP	19,367,914	0.9%	1.5%	83.2%
13	98	WR BERKLEY CORP GRP	17,381,688	2.8%	1.4%	84.5%
14	218	CNA INS GRP	16,028,070	33.0%	1.3%	85.8%
15	761	ALLIANZ INS GRP	15,088,635	0.0%	1.2%	87.0%
16	181	SWISS RE GRP	13,702,047	99.3%	1.1%	88.1%
17	4904	INTACT FINANCIAL GRP	13,039,856	-0.3%	1.0%	89.1%
18	501	ALLEGHANY GRP	12,864,916	42.9%	1.0%	90.1%
19	84	AMERICAN FINANCIAL GRP	12,569,504	33.2%	1.0%	91.1%
20	783	RLI INS GRP	12,245,502	1.1%	1.0%	92.1%



Nature knows size and survival are independent.

Demotech, Inc. had to prove that to the insurance industry.

Q&A



Hear a Presentation on s e Po i or s—Steve Gottheim (ALTA), Mary Thomas (Stewart Title), and Dan Buchanan (First American Title)

Attachment 4





WHAT YOU NEED TO KNOW ABOUT THE 2021 ALTA POLICY FORMS

Today's Presenter(s)



- Dan Buchanan First American Title
- Steve Gottheim ALTA
- Mary Thomas Stewart Title

OVERVIEW



How Do New Forms Get Adopted?

Who Does the Work?

Why Revise the 2006 Policies?

What Will Change in the Policies?

Expect Changes to Other Forms

... and Endorsements, too!

HOW DO NEW FORMS GET ADOPTED?



THE PROCESS IS ONGOING

It Begins With An Idea



Develop, Draft, Review, Refine, & Recommend

ALTA BOARD OF GOVERNORS

Formal Adoption



PUBLIC COMMENT PERIOD & REVIEW OF COMMENTS FINAL POSTING WITH EFFECTIVE DATE

INDUSTRY IMPLEMENTATION

WHO DOES THE WORK?



ALTA FORMS COMMITTEE

- 60+ Individual Title Underwriters Contributed
- 20+ Title Insurers Were Represented

ALTA UNDERWRITER SECTION & SECTION EXECUTIVE COMMITTEE

ALTA BOARD OF GOVERNORS

INDUSTRY PARTNERS AND CUSTOMERS

- ACMA & ACREL
- FHFA, Fannie Mae, Freddie Mac
- MBA, Lenders

WHY REVISE THE 2006 POLICIES?



- Important laws, regulations, and some court decisions, too!
 - Consumer Financial Protection Bureau
 - Remote Online Notarization has become available in many jurisdictions
 - McGirt v. Oklahoma, 140 S. Ct. 2452 (U.S. Sup. Ct., July 9, 2020)
 - Legislative-Regulatory-Judicial Focus on Discriminatory Covenants
 - (e.g. Indiana HB 1314; 2020 Florida Legislation; 2020 Orange County, CA
 - ALTA TitleNews Online, February 9, 2021; Washington HB 1335; May
 - v. Spokane, (WA Ct. App.-Div. Three, Feb. 23, 2021)

WHAT WILL CHANGE IN THE POLICIES?



BY SECTION

- Covered Risks (the "Jacket")
- Exclusions From Coverage
- Schedule A & B
- Conditions
- New & Revised Definitions

LET'S DIVE IN ...



Policy valid when issued electronically

- Both the new Owner Policy ("OP") and new Loan Policy ("LP")
 begin by effectively incorporating coverage provided by the Policy Authentication Endorsement (ALTA 39)
- As long as the Insurer issues the policy with a Policy Number and Date of Policy, the policy is valid even if issued electronically or without any signatures



LOAN POLICY OF TITLE INSURANCE issued by BLANK TITLE INSURANCE COMPANY

This policy, when issued by the Company with a Policy Number and the Date of Policy, is valid even if this policy or any endorsement to this policy is issued electronically or lacks any signature.

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at the address shown in Condition 16.

OWNER'S POLICY OF TITLE INSURANCE issued by BLANK TITLE INSURANCE COMPANY

This policy, when issued by the Company with a Policy Number and the Date of Policy, is valid even if this policy or any endorsement to this policy is issued electronically or lacks any signature.

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at the address shown in Condition 17.



SCHEDULES A & B

Transaction Identification Data



- An optional Transaction Identification Data header has been added to Schedule A to provide clarity and make post-closing smoother and general inquiries easier to initiate
- This information is intentionally set apart from the insured information in Schedule A so it's not an insured matter but serves as reference information to improve communication
- Another optional provision enables the Schedule A to incorporate specific ALTA endorsements by reference. Reference can also be made to other available endorsements

SCHEDULE A (LP) & (OP)



[Transaction Identification Data, for which the Company assumes no liability as set forth in Condition 9.e.:

Issuing Agent:

Issuing Office:

Issuing Office's ALTA® Registry ID:

Loan ID Number:

Issuing Office File Number:

Property Address:]

[Transaction Identification Data, for which the Company assumes no liability as set forth in Condition 9.d.:

Issuing Agent:

Issuing Office:

Issuing Office's ALTA® Registry ID:

Issuing Office File Number:

Property Address:]

Discriminatory Covenants



- Schedule B begins with the following sentences:
 - Some historical land records contain Discriminatory Covenants that are illegal and unenforceable by law. This policy treats any Discriminatory Covenant in a document referenced in Schedule B as if each Discriminatory Covenant is redacted, repudiated, removed, and not republished or recirculated. Only the remaining provisions of the document are excepted from coverage.

This language obviates the need to add an exception for restrictions that may contain unenforceable discriminatory provisions. This provision would apply to all restrictions.

SCHEDULE B (LP) & (OP)



- The new Policies also revise the lead-in sentences immediately preceding the list of the exceptions
 - "The policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees, or expenses resulting from the terms and conditions of any lease or easement identified in Schedule A, and the following matters:"
- This addition obviates the need to include a specific exception in Schedule B for the terms and conditions of any leases or easements that comprise all or a part of the insured property

SCHEDULE B (LP) & (OP)



SCHEDULE B

Policy Number:

EXCEPTIONS FROM COVERAGE

Some historical land records contain Discriminatory Covenants that are illegal and unenforceable by law. This policy treats any Discriminatory Covenant in a document referenced in Schedule B as if each Discriminatory Covenant is redacted, repudiated, removed, and not republished or recirculated. Only the remaining provisions of the document are excepted from coverage.

This policy does not insure against loss or damage and the Company will not pay costs, attorneys' fees, or expenses resulting from the terms and conditions of any lease or easement identified in Schedule A, and the following matters:

(Insert Schedule B exceptions here)

SCHEDULE B

Policy Number:

EXCEPTIONS FROM COVERAGE

Some historical land records contain Discriminatory Covenants that are illegal and unenforceable by law. This policy treats any Discriminatory Covenant in a document referenced in Schedule B as if each Discriminatory Covenant is redacted, repudiated, removed, and not republished or recirculated. Only the remaining provisions of the document are excepted from coverage.

[This policy does not insure against loss or damage and the Company will not pay costs, attorneys' fees, or expenses resulting from the terms and conditions of any lease or easement identified in Schedule A, and the following matters:

(Insert Schedule B exceptions here)]

[This policy does not insure against loss or damage and the Company will not pay costs, attorneys' fees, or expenses resulting from the terms and conditions of any lease or easement identified in Schedule A, and the following matters:

PARTI

(Insert Schedule B exceptions here)

PARTII

Covered Risk 10 insures against loss or damage sustained by the Insured by reason of the lack of priority of the lien of the Insured Mortgage over the matters listed in Part II, subject to the terms and conditions of any subordination provision in a matter listed in Part II:]



Definitions

CONDITIONS



- There are several noteworthy revisions to the Conditions,
 beginning with the Definition of Terms in Condition 1
 - The terms Affiliate, Discriminatory Covenant, Enforcement Notice, PACA-PSA Trust and State are new in both policy forms
 - Substantial revisions have been made to the terms Insured and Public Records

CONDITION 1.e. (LP) & 1.d. (OP)



Definition of "Discriminatory Covenant"

[1.e.] [1.d] "Discriminatory Covenant": Any covenant, condition, restriction, or limitation that is unenforceable under applicable law because it illegally discriminates against a class of individuals based on personal characteristics such as race, color, religion, sex, sexual orientation, gender identity, familial status, disability, national origin, or other legally protected class.

CONDITION 1.g. (OP)



- In the new Owner Policy, a deed from the named insured to one of the following can also result in the grantee being an Insured under the policy:
 - a trustee or beneficiary of a trust created by a written instrument established for estate planning purposes by an Insured;
 - a spouse who receives the Title because of a dissolution of marriage; a transferee by a transfer effective on the death of an Insured as authorized by law; or
 - another Insured named in Item 1 of Schedule A.
- These last two categories are new, and this provision also differs from the corresponding language in the 2006 policy because there is no requirement that the deed or conveyance be for no consideration.

CONDITION 1.g. (OP)



- g. "Insured":
 - (a). The Insured named in Item 1 of Schedule A;
 - (b). the successor to the Title of an Insured by operation of law as distinguished from purchase, including heirs, devisees, survivors, personal representatives, or next of kin;
 - (c). the successor to the Title of an Insured resulting from dissolution, merger, consolidation, distribution, or reorganization;
 - (d). the successor to the Title of an Insured resulting from its conversion to another kind of Entity; or
 - (e). the grantee of an Insured under a deed or other instrument transferring the Title, if the grantee is:
 - an Affiliate;
 - a trustee or beneficiary of a trust created by a written instrument established for estate planning purposes by an Insured;
 - a spouse who receives the Title because of a dissolution of marriage;
 - (4). a transferee by a transfer effective on the death of an Insured as authorized by law;
 - another Insured named in Item 1 of Schedule A.
 - The Company reserves all rights and defenses as to any successor or grantee that the Company would have had against any predecessor Insured.

CONDITION 1.r. (LP) &1.m. (OP)



- Definition of "Public Records"
- The 2021 ALTA policies modify the definition of *Public Records*
- The clarification distinguishes between those records that are Public Records for purposes of the terminology used in a title policy and other governmental records that are not intended to be, and are generally not construed as, within the scope of Public Records for purposes of triggering coverage in the policies

[r.][m.] "Public Records": The recording or filing system established under State statutes in effect at the Date of Policy under which a document must be recorded or filed to impart constructive notice of matters relating to the Title to a purchaser for value without Knowledge. The term "Public Records" does not include any other recording or filing system, including any pertaining to environmental remediation or protection, planning, permitting, zoning, licensing, building, health, public safety, or national security matters.

CONDITION 1.s. (LP) &1.n. (OP)



- Definition of "State"
- The new polices include State as a new defined term. The inclusion makes it clear that term used in the policies means the state or commonwealth of the United States where the Land is located, and where applicable also includes the District of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, and Guam

[s.][n.] "State": The state or commonwealth of the United States within whose exterior boundaries the Land is located. The term "State" also includes the District of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, and Guam.



COVERED RISKS

COVERED RISK 2 (LP) & (OP)



- The Owner and Loan Policies update Covered Risk 2 by adding these new examples of title defects that can cause a covered loss:
 - a document affecting the Title not properly authorized, created, executed, witnessed, sealed, acknowledged, notarized, (including by remote online notarization), or delivered; and
 - the repudiation of an electronic signature by a person who signed the document because the electronic signature was not valid under applicable electronic transactions law.
- The survey coverage provided by Covered Risk 2(c.) is also enhanced to add a boundary line overlap as one of the matters covered if it would have shown up on a survey.

COVERED RISK 2 (LP) & (OP)



- 2. Any defect in or lien or encumbrance on the Title. Covered Risk 2 includes, but is not limited to, insurance against loss from:
 - a. a defect in the Title caused by:
 - forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;
 - the failure of a person or Entity to have authorized a transfer or conveyance;
 - a document affecting the Title not properly authorized, created, executed, witnessed, sealed, acknowledged, notarized (including by remote online notarization), or delivered;
 - iv. a failure to perform those acts necessary to create a document by electronic means authorized by law;
 - v. a document executed under a falsified, expired, or otherwise invalid power of attorney;
 - vi. a document not properly filed, recorded, or indexed in the Public Records, including the failure to have performed those acts by electronic means authorized by law;
 - vii. a defective judicial or administrative proceeding; or
 - viii. the repudiation of an electronic signature by a person that executed a document because the electronic signature on the document was not valid under applicable electronic transactions law.
 - the lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.
 - c. the effect on the Title of an encumbrance, violation, variation, adverse circumstance, boundary line overlap, or encroachment (including an encroachment of an improvement across the boundary lines of the Land), but only if the encumbrance, violation, variation, adverse circumstance, boundary line overlap, or encroachment would have been disclosed by an accurate and complete land title survey of the Land.

COVERED RISK 8 (LP) & (OP)



- Both Policies add a new Covered Risk 8 that insures against an enforcement of a PACA-PSA Trust the extent of the enforcement described in an Enforcement Notice
- PACA-PSA Trust is also a new defined term
- The Perishable Agricultural Commodities Act (7 U.S.C. §§ 499a, et seq.) imposes a trust for unpaid suppliers, sellers and agents of fresh fruits and fresh vegetables, The Packers and Stockyards Act (7 U.S.C. §§ 181, et seq.) establishes a similar trust on assets of packers to protect livestock producers. Both trusts can exist in unrecorded form

COVERED RISK 8 (LP) & (OP)



8. An enforcement of a PACA-PSA Trust, but only to the extent of the enforcement described in an Enforcement Notice.

"PACA-PSA Trust": A trust under the federal Perishable Agricultural Commodities Act or the federal Packers and Stockyards Act or a similar State or federal law.



CONDITIONS

CONDITION 8. (OP) & (LP)



Condition 8, now entitled Contract of Indemnity; Determination and Extent of Liability contains some significant changes:

- The Condition clarifies that the policy is a contract of indemnity, with an initial statement that the policies are not abstracts of title, reports, legal opinions, opinions of title, or other representations of title
- Among the improvements in coverage are the provisions establishing a procedure for the Insured to select the date for determining value for purposes of calculating loss.
 The ability to choose an alternate date for the determination of loss is no longer conditioned on the Insurer's unsuccessful attempt to cure the defect

CONDITION 8. (OP)



In the Owner Policy, while terms regarding the extent of liability remains essentially the same, a revised subsection addressing valuation states that the fair market value of the Title is calculated using the date the Insured discovers the defect or other matter insured against by this policy; however if, at the Date of Policy, the Title to all of the Land is void by reason of a matter covered by the policy, then the Insured Claimant may, by written notice given to the Insurer, elect to use the Date of Policy as the date for calculating the fair market value of the Title.

- If the Insurer does pursue its rights to cure the Title and is unsuccessful:
 - the Amount of Insurance will be increased by 15% (an improvement from 10% in the 2006 policy); and
 - the Insured Claimant may elect to use either the date the settlement, action, or proceeding is concluded or the date the notice of claim is received by the Insurer as the date for calculating the fair market value of the Title.

CONDITION 8. (OP)



- 8. CONTRACT OF INDEMNITY; DETERMINATION AND EXTENT OF LIABILITY
 - This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by an Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy. This policy is not an abstract of the Title, report of the condition of the Title, legal opinion, opinion of the Title, or other representation of the status of the Title. All claims asserted under this policy are based in contract and are restricted to the terms and provisions of this policy. The Company is not liable for any claim alleging negligence or negligent misrepresentation arising from or in connection with this policy or the determination of the insurability of the Title.
 - a. The extent of liability of the Company for loss or damage under this policy does not exceed the lesser of:
 - the Amount of Insurance; or
 - ii. the difference between the fair market value of the Title, as insured, and the fair market value of the Title subject to the matter insured against by this policy.
 - b. Except as provided in Condition 8.c. or 8.d., the fair market value of the Title in Condition 8.a.ii. is calculated using the date the Insured discovers the defect, lien, encumbrance, adverse claim, or other matter insured against by this policy.
 - c. If, at the Date of Policy, the Title to all of the Land is void by reason of a matter insured against by this policy, then the Insured Claimant may, by written notice given to the Company, elect to use the Date of Policy as the date for calculating the fair market value of the Title in Condition 8.a.ii.
 - d. If the Company pursues its rights under Condition 5.b. and is unsuccessful in establishing the Title, as insured:
 - the Amount of Insurance will be increased by 15%; and
 - ii. the Insured Claimant may, by written notice given to the Company, elect, as an alternative to the dates set forth in Condition 8.b. or, if it applies, 8.c., to use either the date the settlement, action, proceeding, or other act described in Condition 5.b. is concluded or the date the notice of claim required by Condition 3 is received by the Company as the date for calculating the fair market value of the Title in Condition 8.a.ii.
 - In addition to the extent of liability for loss or damage under Conditions 8.a. and 8.d., the Company will
 also pay the costs, attorneys' fees, and expenses incurred in accordance with Conditions 5 and 7.

CONDITION 15 (LP) & 16 (OP)



- The 2021 policies contain revised Choice of Law provisions.
- Condition 15.a. of the Loan Policy and 16a of the Owner Policy clearly
 provide that the State law of the State where the Land is located, or to the
 extent it controls, federal law, will determine the validity of claims against
 the Title or enforcement of the policy.
- While the provision is needed because of increased multi-state and crossborder transactions, the new reference to federal law addresses the jurisdictional issue raised in the *McGirt* decision.

CONDITION 15 (LP) & 16 (OP)



CHOICE OF LAW AND CHOICE OF FORUM

Choice of Law

The Company has underwritten the risks covered by this policy and determined the premium charged in reliance upon the State law affecting interests in real property and the State law applicable to the interpretation, rights, remedies, or enforcement of policies of title insurance of the State where the Land is located.

The State law of the State where the Land is located, or to the extent it controls, federal law, will determine the validity of claims against the Title or the lien of the Insured Mortgage and the interpretation and enforcement of the terms of this policy, without regard to conflicts of law principles to determine the applicable law.

b. Choice of Forum

Any litigation or other proceeding brought by the Insured against the Company must be filed only in a State or federal court having jurisdiction.

16. CHOICE OF LAW AND CHOICE OF FORUM

a. Choice of Law

The Company has underwritten the risks covered by this policy and determined the premium charged in reliance upon the State law affecting interests in real property and the State law applicable to the interpretation, rights, remedies, or enforcement of policies of title insurance of the State where the Land is located.

The State law of the State where the Land is located, or to the extent it controls, federal law, will determine the validity of claims against the Title and the interpretation and enforcement of the terms of this policy, without regard to conflicts of law principles to determine the applicable law.

b. Choice of Forum

Any litigation or other proceeding brought by the Insured against the Company must be filed only in a State or federal court having jurisdiction.

CONDITION 17 (LP) & 18 (OP)



- CLASS ACTION
- The 2021 policies contain a new condition, titled "Class Action" separate Condition regarding Class Actions
- Claims and disputes must be brought in an individual capacity and may not be brought as a class action

[17.] [18.] CLASS ACTION

ALL CLAIMS AND DISPUTES ARISING OUT OF OR RELATING TO THIS POLICY, INCLUDING ANY SERVICE OR OTHER MATTER IN CONNECTION WITH ISSUING THIS POLICY, ANY BREACH OF A POLICY PROVISION, OR ANY OTHER CLAIM OR DISPUTE ARISING OUT OF OR RELATING TO THE TRANSACTION GIVING RISE TO THIS POLICY, MUST BE BROUGHT IN AN INDIVIDUAL CAPACITY. NO PARTY MAY SERVE AS PLAINTIFF, CLASS MEMBER, OR PARTICIPANT IN ANY CLASS, REPRESENTATIVE, OR PRIVATE ATTORNEY GENERAL PROCEEDING.

CONDITION 18 (LP) & 19 (OP)



- ARBITRATION
- Although the optional Arbitration Condition has been substantially revised in the 2021 Owner and Loan Policies, the provisions remain similar to those in the 2006 policy forms
- Claims and disputes must be brought in an individual capacity and may not be brought as a class action

CONDITION 19 (OP)



[19. ARBITRATION

- a. All claims and disputes arising out of or relating to this policy, including any service or other matter in connection with issuing this policy, any breach of a policy provision, or any other claim or dispute arising out of or relating to the transaction giving rise to this policy, may be resolved by arbitration. If the Amount of Insurance is \$2,000,000 or less, any claim or dispute may be submitted to binding arbitration at the election of either the Company or the Insured. If the Amount of Insurance is greater than \$2,000,000, any claim or dispute may be submitted to binding arbitration only when agreed to by both the Company and the Insured. Arbitration must be conducted pursuant to the Title Insurance Arbitration Rules of the American Land Title Association ("ALTA Rules"). The ALTA Rules are available online at www.alta.org/arbitration. The ALTA Rules incorporate, as appropriate to a particular dispute, the Consumer Arbitration Rules and Commercial Arbitration Rules of the American Arbitration Association ("AAA Rules"). The AAA Rules are available online at www.adr.org.
- b. ALL CLAIMS AND DISPUTES MUST BE BROUGHT IN AN INDIVIDUAL CAPACITY. NO PARTY MAY SERVE AS PLAINTIFF, CLASS MEMBER, OR PARTICIPANT IN ANY CLASS, REPRESENTATIVE, OR PRIVATE ATTORNEY GENERAL PROCEEDING IN ANY ARBITRATION GOVERNED BY CONDITION 19. The arbitrator does not have authority to conduct any class action arbitration, private attorney general arbitration, or arbitration involving joint or consolidated claims under any circumstance.
- c. If there is a final judicial determination that a request for particular relief cannot be arbitrated in accordance with this Condition 19, then only that request for particular relief may be brought in court. All other requests for relief remain subject to this Condition 19.
- d. [The Company will pay all AAA filing, administration, and arbitrator fees of the consumer when the arbitration seeks relief of \$100,000 or less. Other fees][Fees] will be allocated in accordance with the applicable AAA Rules. The results of arbitration will be binding upon the parties. The arbitrator may consider, but is not bound by, rulings in prior arbitrations involving different parties. The arbitrator is bound by rulings in prior arbitrations involving the same parties to the extent required by law. The arbitrator must issue a written decision sufficient to explain the findings and conclusions on which the award is based. Judgment upon the award rendered by the arbitrator may be entered in any State or federal court having jurisdiction.]

CHANGES TO OTHER FORMS



COMMITMENT FOR TITLE INSURANCE

Short Form Commitment

SHORT FORM RESIDENTIAL LOAN POLICY

HOMEOWNER'S POLICY

EXPANDED COVERAGE RESIDENTIAL LOAN POLICY—ASSESSMENTS PRIORITY

Short Form Expanded Coverage Residential Loan Policy—Assessments Priority

EXPANDED COVERAGE RESIDENTIAL LOAN POLICY—CURRENT ASSESSMENTS

Short Form Expanded Coverage Residential Loan Policy—Current Assessments

... AND 2021 UPDATED ENDORSEMENTS



- ALTA 3 Zoning
- ALTA 3.1 Zoning—Completed Structures
- ALTA 3.2 Zoning—Land Under Development
- ALTA 3.3 Zoning—Completed Improvement—Non-Conforming Use
- ALTA 3.4 Zoning—No Zoning Classification
- ALTA 4 Condominium—Assessments Priority
- ALTA 4.1 Condominium—Current Assessments
- ALTA 6 Variable Rate Mortgage
- ALTA 6.2 Variable Rate Mortgage—Negative Amortization
- ALTA 7.1 Manufactured Housing—Conversion—Loan Policy
- ALTA 7.2 Manufactured Housing—Conversion—Owner's Policy
- ALTA 8.1 Environmental Protection Lien
- ALTA 10 Assignment
- ALTA 10.1 Assignment and Date Down

... AND 2021 UPDATED ENDORSEMENTS



- ALTA 11 Mortgage Modification
- ALTA 11.1 Mortgage Modification with Subordination
- ALTA 11.2 Mortgage Modification with Additional Amount of Insurance
- ALTA 12 Aggregation—Loan Policy
- ALTA 12.1 Aggregation—State Limits—Loan Policy
- ALTA 14 Future Advance—Priority
- ALTA 14.1 Future Advance—Knowledge
- ALTA 14.2 Future Advance—Letter of Credit
- ALTA 14.3 Future Advance—Reverse Mortgage
- ALTA 26 Subdivision
- ALTA 27 Usury
- ALTA 30 Shared Appreciation Mortgage
- ALTA 30.1 Commercial Participation Interest

... AND 2021 UPDATED ENDORSEMENTS American Land Title Association Protect your property rights

- ALTA 32 Construction Loan
- ALTA 32.1 Construction Loan—Direct Payment
- ALTA 32.2 Construction Loan—Insured's Direct Payment
- ALTA 34.1 Identified Exception & Identified Risk Coverage



... AND ENDORSEMENTS



ALTA xx Residential Loan Modification Endorsement



ALTA XX RESIDENTIAL LOAN MODIFICATION ENDORSEMENT

This endorsement is issued as part of Policy Number _____ issued by BLANK TITLE INSURANCE COMPANY

File Number:

- The insurance afforded by this endorsement is only effective if the Land is an existing one-to-four family residence.
- 2. The Company insures against loss or damage sustained by the Insured by reason of the invalidity, unenforceability, or lack of priority of the lien of the Insured Mortgage upon the Title, resulting solely from any future modification of the terms of the Indebtedness that consists only of one or more of the following actions (a "Modification"):
 - a. the maturity date is extended;
 - the rate of interest is reduced;
 - some portion of the principal is forgiven; or
 - d. payment of principal and interest is deferred, without penalty or additional interest.





Thank You! Time for Questions?

Add contact info for presenters here

Forms Online: alta.org/policy-forms/

Q&A



Any Other Matters

