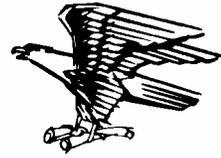


**A M E R I C A N  
L A N D T I T L E  
A S S O C I A T I O N**

June 19, 2002



The Hon. Richard H. Baker  
Chairman  
Subcommittee on Capital Markets, Insurance &  
Government Sponsored Enterprises  
House Committee on Financial Services  
2129 Rayburn House Office Building  
Washington, D.C. 20515

Dear Mr. Baker:

We respectfully request that the attached statement on behalf of the American Land Title Association (“ALTA”)\* be included in the record of the hearings held by the Subcommittee on “Insurance Regulation and Competition for the 21<sup>st</sup> Century.”

We appreciate the opportunity to work with the Committee on this important issue. If you have any questions, please feel free to contact me on (202) 296-3671.

Sincerely,

A handwritten signature in cursive script that reads "Ann vom Eigen".

Ann vom Eigen  
Legislative and Regulatory Counsel

Enc.

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\*The American Land Title Association membership is composed of 2,400 title insurance companies, their agents, independent abstractors and attorneys who search, examine, and insure land titles to protect owners and mortgage lenders against losses from defects in titles. Many of these companies also provide additional real estate information services, such as tax search, flood certification, tax filing, and credit reporting services. These firms and individuals employ nearly 100,000 individuals and operate in every county in the country.

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Statement of the American Land Title Association  
on  
“Insurance Regulation and Competition for the 21<sup>st</sup> Century.”

The American Land Title Association\* represents title insurance and settlement service providers. Of all the lines of insurance, none are as inextricably linked to state and local conditions as the title insurance industry. The focus of title insurance is the protection of the interests of owners, investors, lenders and others in real estate. The underwriting of title insurance involves a review and assessment of state and local records affecting titles to real estate. Title insurance policies are issued in connection with inherently local transactions – real estate settlements and mortgage loan closings. Reflecting the diversity of state and local laws and practices regarding real estate, the practices and processes by which title insurance is issued will frequently vary from state to state, and even from region to region within a state.

As a consequence, ALTA and its members strongly believe that regulation of the title insurance industry should continue to be the province of the various states. While federal regulation of insurance, or federal chartering of insurance companies, might be appropriate for the property/casualty insurance industry – as is suggested by Rep. LaFalce’s bill “The Insurance Industry and Modernization and Consumer Protection Act (H.R. 3766) – such regulation and chartering are unnecessary for the title insurance industry, and would only serve to undermine the effectiveness of state regulation of our industry.

That is not to say that state regulation of title insurance cannot be improved. But most of the concerns about state regulation that have been advanced by those who support federal chartering are simply inapplicable to title insurance. Moreover, the National Association of Insurance Commissioners has been doing an effective job of coordinating and bringing greater uniformity of state regulation in those areas where such coordination and uniformity are appropriate.

In sum, we do not believe that there is a need for alternative federal chartering of title insurance companies, or for greater federal regulation of the title insurance industry. We look forward to working with the Committee as work on this issue proceeds.

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