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As the time gets closer to implementation of the new mortgage disclosure forms, there are more things industry members can do to ensure they are prepared. Industry members give you insight into the latest disclosure-related issues you can tackle today.

NAIC exposes draft guidelines for guaranty fund

In response to title insurer insolvencies that have happened in the last few years, industry members and regulators alike have been finding ways to address problems and provide continued coverage for the banks and consumers that hold title insurance policies from these insolvent insurers.

While only 25 underwriters have gone insolvent since 1985, according to a Title Insurance Guaranty Fund Working Group report, regulators are concerned about the reduced number of title underwriters nationwide and what would happen if one of the four largest title insurance groups became insolvent. Over the past year, the Title Guaranty Fund Working Group of the National Association of Insurance Commissioners (NAIC) worked with state regulators and interested parties to develop guidelines to crafting a guaranty fund that states could adopt for use in their jurisdictions. It released an exposed draft on July 8 for comment by all parties. The exposure period ends Aug. 8. Comments should be forwarded to **David Keleher** at dkeleher@naic.org.

The guaranty fund would be a mechanism for continuation of coverage and payment of covered claims under certain insurance policies. It would also aim to avoid excessive delays in payment, avoid financial loss to policyholders because of insolvency of a title insurer and provide an association to assess the cost of such protection.

Potential set-up

The guidelines provide language for the setup of a title insurance guaranty association.

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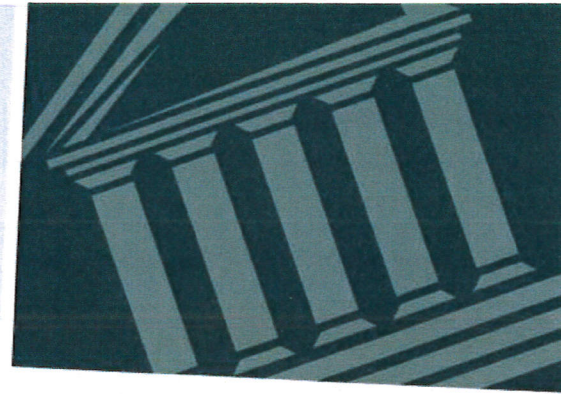
ON THE RECORD

“This is not a case where a bank allowed overdrafts totaling \$5 million from a single account that usually had a zero balance. This is a case where a bank promptly executed a payment order that had cleared the bank’s commercially reasonable security procedures and that the bank had no independent reason to suspect was fraudulent. Accordingly, we conclude that BancorpSouth had met its burden of establishing beyond genuine factual dispute that it accepted the March 17 payment order in good faith.”

8th U.S. Circuit Court of Appeals

A cautionary tale: Bank not liable for cyber theft, says 8th U.S. Circuit

CLOSING *Arguments*



Fifty years of success for Illinois' Attorneys' Title Guaranty Fund

Founded 50 years ago by a small group of downstate Illinois lawyers, Attorneys' Title Guaranty Fund Inc. (ATG) has evolved into a family of companies offering a broad spectrum of services to more than 4,000 lawyers in Illinois, Indiana, Wisconsin and Michigan. The company now garners revenue in excess of 100 million annually and will issue its three millionth title insurance policy this year.

"Our 50th anniversary is a celebration of our founding members and the thousands of law firms and agents who have together built the company into the success it is today," said **Peter Birnbaum**, ATG president and chief executive officer. "It's also a celebration of our staff — loyal stewards of the company who believe in our mission to be the premier lawyer service organization for the benefit of the public."

ATG was founded in 1964 thanks to the efforts of Urbana attorney **Stanley Balbach** and his law partners **Richard Thies** and Charles Webber. Balbach's early efforts built the foundation, and he remained active with the organization until his retirement from the board of directors in 2007. Balbach died in 2012 at the age of 92. Birnbaum cites newly elected Board Chair **Ward McDonald**, who served as CEO from 1970-1983, as the person most responsible for bringing ATG from a concept into a thriving business.

"It was Ward's unique ability to promote the ATG mission that built it into a grassroots movement, and over time — a formidable force in the legal and real estate communities," Birnbaum said.

In addition to providing title insurance and related services to homeowners and lenders through its members, ATG offers additional services for lawyers and their clients through its subsidiaries, including ATG Trust Co., ATG Legal Education, ATG LegalServe, Auctions by ATG, NLT Title, LLC, and The Judicial Sales Corp.

In the lead-up to its 50th anniversary, ATG continues in its tradition of being a good corporate citizen. ATG is a leading supporter of the Illinois Bar Foundation, the Chicago Bar Foundation, Mercy Housing, the Jesse White Foundation, The Cara Program, Big Brothers and Big Sisters, Urban Initiatives, University of Illinois College of Law, IIT Chicago-Kent College of Law and many area bar associations.

"Many of our members and a high percentage of our staff and board of directors have been with ATG for more than 20 years," said Birnbaum, who joined the company in 1981 and has been chief executive officer since 1991. "For 50 years ATG has succeeded in the face of formidable odds — we should all be proud of the organization we have built."

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