

Title Experts
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Title Experts

and Management Services

ADDRESSING NEEDS OF UNDERWRITERS, AGENTS,
LENDERS, CLAIMS COUNSEL AND
TITLE INSURANCE CONSUMERS NATIONWIDE

Bob Philo and Gene McCullough are lawyers and each have over 30 years of experience in the Title Insurance and real estate conveyance industry. Each has handled claims, managed agency operations and developed 'best practice' standards for agency and underwriter operations.

Loss Valuation Date—Date of Discovery or Date of Purchase?

Assume the vacant waterfront property was purchased for \$416,000 in 2006, but in 2010, when the owner decided to build their home, he was denied a building permit because of the existence of a 1940's dredging easement. The dredging easement was not shown as an exception in the Owner's policy. By 2010, after the real estate crash, the market value of the property had declined to \$60,000. How would you calculate damages?

The Title Underwriter argued that loss should be measured from the 'before and after' value based on the 2010 'date of discovery' of the defect. Not surprisingly, the owner wanted his actual loss measured from the value at date of purchase.

A recent SC Supreme Court opinion inter-

prets the ALTA Owner's policy, *the same one used in all 50 states*, and finds that the policy is silent as to which loss valuation date should be used. The Court held this creates an ambiguity and under generally recognized insurance contract interpretation law, "all ambiguities must be construed in the favor of the insured". As such, the loss is measured by the 'before and after the defect' formula using the initial purchase price as the beginning point.!

The case discusses an excellent article recently published in [Dec 2011 the Florida Bar Journal](#) that analyzes current case law on this subject, but the most recent case decided in September 2012 can be accessed by clicking on the following link.

[Whitlock, et al v Stewart Title](#)

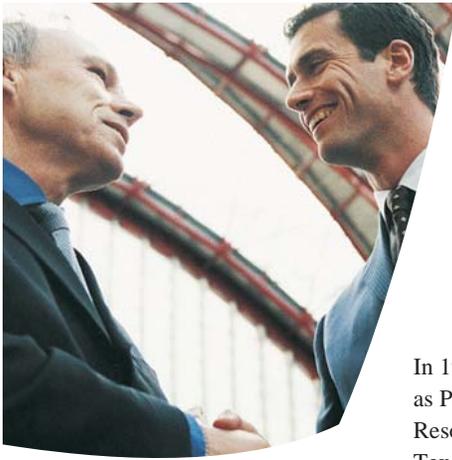


Real property values have plummeted in recent years. This judicial interpretation of the ALTA Owner's policy could have a significant impact on the size of title insurance awards in cases across the nation.



Who we are.....

Our national consulting firm specializes in providing proven expert witness testimony, reports and analysis for litigation concerning escrow, title insurance and real estate closings. Our experts are licensed attorneys and each have more than 30 years industry-specific experience. We also provide title insurance software development and implementation consulting.



Bob Philo



Overview of his experience

Years of handling claims and working through difficult underwriting issues have allowed Bob to gain invaluable experience .



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Bob Philo began his career with 10 years in law enforcement, leaving as a Sargent in the Major Fraud Unit for Montgomery County, Maryland after securing a law degree from the University of Maryland in 1972. In 1980, he moved to Texas and became a member of the Texas State Bar. Between 1981—1984, he served as the Assistant Director of Title Insurance for the Texas State Board of Insurance.

In 1984, he accepted a position as President and CEO of Title Resources Guaranty Corp, a Texas Title insurance underwriter. He held that position until 1996 and then began to work with several of the national underwriters as subsidiary President and or State manager actively managing agents, handled underwriting and developed software to enhance underwriter operations.

Bob served as President of the Texas Land Title Association in 1995 and was awarded the "Title Man of the Year" in 2007

Title Experts and Management Services was formed in 2000 and since then, he has had an opportunity to testify in over 75 cases in a number of state and federal courts including Texas.

He holds a 'Certified Title Insurance Associate' Certification, the highest offered by the state of Texas. He has taught real estate and title insurance courses for the Texas Land Title Association for each of the past 31 years.

For a complete Curriculum Vitae and all contact info, click [HERE](#) or scan the QR code below with your smartphone



Gene McCullough



Overview of his experience

For each of the last 30 years, he has simultaneously managed agency operations in up to 17 different states and is very familiar with the unique differences in business practices that vary from state to state.

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After graduation from the University of Memphis School of Law in 1977, Gene opened a solo general law practice where he handled closings and served as a title agent. In 1983, he accepted a position with Southern Title Insurance Company and served as its President from 1986 until 1998. Then, after a merger, he served as the Regional President of Fidelity National Title of New York from 1998 until 2002. He then accepted a SVP position with Southern Title Insurance Corporation, but has served as President from 2008-2011.

During this career, he has handled

virtually every position with an underwriter, including managing direct operations, handling claims, responding to defalcations, development of forms, filing of rates, approval of agency applications, responding to market conduct exams, drafting audit procedures and managing operations.

He has testified in the legislature and was instrumental in securing passage of Tennessee's Good Funds Law. He regularly presents Fraud Prevention seminars and has been on the 'first response' defalcation team of all his underwriting companies for the past 20 years.

In 2007 –2008 he served as the President of the Tennessee Land Title Association as well as a Director and Committee Chair for numerous years. He was the Chairman of the ALTA Title Executives Council on two occasions and Chaired the Tennessee Bar Association's Real Estate Council.

Gene regularly presents CE and CLE accredited seminars and recently authored "Insurance Principles and Title Insurance Underwriting" for the Tennessee Land Title Association.