



2013 Bulletin 20

Data Call Update

August 6, 2013

Through a computer hiccup last Thursday, many of you received an email from the Department of Financial Services regarding the upcoming data call. This was actually an email they sent out many months ago, that described a public meeting in which FLTA members participated last March.

But it's a good reminder that Florida's Data Call is coming, so we'll use this opportunity to update everyone on the status of this important project.

For over two years now, FLTA has been working with our regulators to help design a well thought-out data call to be used to capture both agency and underwriter information. While we all recognize that any requirement to gather and report data will be a burden, if not an outright "Pain in the Neck" – our providing good data about what it really costs us to provide title services is critical if we are going to maintain a promulgated rate model in Florida. Without good, accurate data, there is no way for the Office of Insurance Regulation (OIR) to set an appropriate promulgated rate.

This same data will also help us deal with our critics. The Title Industry is regularly criticized in the press by people – totally ignorant of what we really do – arguing that we only pay 7-8% of our premium in claims, so our rates "must be" much too high. Any title professional will tell you that we should be doing an even better job of eliminating risk for our insureds, and that a 7-8% claims ratio is **TOO HIGH**, not too low. Because it means our insureds have faced unnecessary claims.

So as an industry, we have supported the adoption of the new data call statute in 2012. FLTA helped coordinate many hours of live meetings, conference calls and discussion as we offered our comments and suggestions on what a good data call should include.

We involved agents, attorney-agents, and insurers at each stage in the development process and have been communicating the progress to our members all along the way. And to their credit, OIR has been very open to suggestions on ways in which we can gather the necessary information to properly set rates, while minimizing our cost and difficulty in complying with the data call.

At this point, the data call submission is in final form. Here are links to the data forms for agencies and direct operations:

- [Final Data Call Rule](#)
- [Data Call Report Form](#) – this looks worse than it is because the detailed instructions are in the same spreadsheet
- [Electronic Certification](#)

Here's what is going to happen next:

- If they haven't already been sent over, these will be submitted to the Governor and Cabinet and adopted as formal rules.
- Various software companies have already started looking at the data call requirements (which fairly closely track the NAIC data call that other states are looking at) and we expect will be offering upgrades or new modules to facilitate capturing some of this data on the fly.
- FLTA is already working on training sessions for our members to help them get ready to implement the data call with a minimum of pain and aggravation. There will be an additional session at this year's FLTA convention on the subject.
- In spite of all the hard work put into the development of the Data Call, we will almost certainly find an ambiguity or two as we each try to implement. OIR has committed to working with us to develop a semi-official "Frequently Asked Questions" to address these.
- Before the end of 2013, each licensed agency and direct office will want to discuss implementation with your software vendor and make some changes in your operating systems and procedures. During our training sessions, we'll be offering our insights and advice on making this a smooth process.
- Beginning January 2014, each licensed agency and direct office (but not attorney-agents operating in a law firm) should start capturing data. Some of this data will be a pain in the neck to go back and capture from each file if you don't do it as part of each closing.
- During the 2014 legislative session this rule – and a number of other rules – will be formally ratified.
- During the 2014 legislative session, FLTA and the OIR will again be requesting that the filing date be extended from March to May of each year.
- In 2015, each licensed agency and direct office will electronically submit their data call information.
- In 2015, each title insurer will submit their data call information.

We'll keep you posted as information about the Data Call continues to evolve.

Because of its significance to the entire Title Industry, this bulletin is being sent to all FLTA members and to all licensed agents and agencies, whether or not FLTA members. Access to most FLTA bulletins are restricted to "Members Only." We encourage all title agencies and attorney-agents to join FLTA and be part of protecting your livelihood and guiding the future of our industry.