2012

Missouri

Real Estate Malpractice Insurance Report

Statistics Section
July 2013

DIFP

Jeremiah W. (Jay) Nixon
Governor

Department of Insurance,
Financial Institutions &
Professional Registration

John M. Huff
Director

Other Publications
Available from the Missouri Department of Insurance, Financial Institutions & Professional Registration

The Department of Insurance, Financial Institutions & Professional Registration publishes the following reports. These reports are available by sending a written request along with $35 to:

Department of Insurance, Financial Institutions & Professional Registration
P.O. Box 690
Jefferson City, MO 65102-0690

1. ***Missouri Complaint Index Report***
   summary information: http://insurance.mo.gov/consumers/complaints/compindx.php

2. ***Missouri Department of Insurance Annual Report***
   summary information: http://difp.mo.gov/about.php

3. ***Missouri Life, Accident & Health Supplement Data***
   summary information: http://insurance.mo.gov/reports/suppdata/

4. ***Missouri Market Share Data***
   summary information: http://insurance.mo.gov/reports/mktshr/

5. ***Missouri Medical Malpractice (Closed Claim) Report***
   summary information: http://insurance.mo.gov/reports/medmal/index.php

6. ***Missouri Product Liability (Closed Claim) Report***
   summary information: http://insurance.mo.gov/reports/prodliab/

7. ***Missouri Property & Casualty Supplement Report***
   summary information: http://insurance.mo.gov/reports/suppdata/

8. ***Missouri Real Estate Malpractice (Closed Claim) Report***
   summary information: http://insurance.mo.gov/reports/remal/

9. ***Mortgage Guaranty Report***
   summary information: http://insurance.mo.gov/reports/mortguar/

10. ***Missouri Health Maintenance Organization Report***
    summary information: http://insurance.mo.gov/reports/hmo/

Databases: For more information: http://insurance.mo.gov/reports/

1. Medicare Supplement Experience Data
2. Commercial Liability Experience Data
3. Missouri **Zip Code Insurance Data** for:

   - Homeowners/Dwelling Fire,
   - Farmowners (dwelling only),
   - Mobile Home,
   - Earthquake, and
   - Private Passenger Automobile

Some data is available to the public for a fee by special request only. For additional information, contact the **Statistics Section at (573) 751-4126**.

DEFINITION OF TERMS

Market Share: The dollar amount of direct premium written by an insurer divided by the total amount of direct premiums written industry-wide for the particular line of business being analyzed, expressed as a percentage.

Written Premium: Amount charged when a policyholder contracts for insurance coverage before reinsurance has been ceded and/or assumed.

Earned Premium: The part of premium attributable to the coverage already provided, in a given period, before reinsurance has been ceded and/or assumed.

Incurred Losses: The sum of direct losses paid, plus an estimate at the close of the year of the amounts to be paid in the future, for all claims arising from the current and all prior years, minus the corresponding estimate made at the close of business for the preceding year. Incurred losses reported include estimated amounts unpaid for incurred-but-not-reported (IBNR) claims.

Loss Ratio: The dollar amount of direct losses incurred divided by the dollar amount of premiums earned for the particular line of business being analyzed, expressed as a percentage. This is an accounting representation of the portion of each premium dollar which is needed to honor a company's promise to pay claims.

Indemnity Paid: The sum of all payments made during the year for the benefit of insurance claimants, before reinsurance has been ceded and/or assumed. These payments include amounts paid in the current year for claims arising from the current year. Hence, this item is not a measure of the actual cost of current coverages, but only of current cash flows.

Loss Adjustment Expenses: The cost involved in an insurance companies adjustment of losses under a policy.

Real Estate Malpractice Insurance Report

Executive Summary

This report summarizes Missouri real estate malpractice data for 2003 to 2012. The charts, graphs and tables are limited to closed claim information and were constructed from data collected by the department as required by Section 383.060 RSMo. The premium and loss data are presented in the final section. The data were obtained from the Missouri Page 19 Supplement to the companies' annual statements.

In 2012, real estate malpractice insurers reported claim losses equal to 14 percent of premium, and paid defense costs equal to 41 percent of premium. Together, losses plus defense costs totaled 55 percent of earned premium. This figure totaled 71 percent over the past five years, and 114 percent over the prior ten years.

In 2012, 33 claims against realtors were closed, of which 21 were closed with payment. Claim payments averaged $8,204, while defense costs averaged $18,341. Over the last ten years, insurers paid claims totaling $2.6 million, and defense costs equal to $6.1 million. During the same period, 848 real estate malpractice claims were closed in Missouri ─ of these 28 percent resulted in a payment. The number of claims closed in 2012 (33 claims) was significantly lower than ten-year high in 2005 (124 claims).

In Section II, indemnity amounts are categorized by claim characteristics, including:

- Area of real estate in which the claims were filed.
- Major activity in which the agent was engaged when the alleged error or omission occurred.
- Alleged error or omission that was the most significant reason for the claim.

- The legal disposition of the claim at the closing date.
- The number of years the insured had been in practice at the time of the alleged error or omission.
- The relationship of the insured to the claimant.

Nine companies reported writing real estate malpractice insurance business in Missouri during 2012 with Continental Casualty Company commanding 53 percent of the market.

This report was compiled using information submitted by the insurance companies. As a result, the accuracy of this report is dependent upon the accuracy of each company's data. Copies of this report will be made available in braille, large print or on audio cassette upon request. Questions regarding this report should be directed to the Statistics Section, Department of Insurance, Financial Institutions & Professional Registration, P.O. Box 690, Jefferson City, Missouri 65102-0690.

The Missouri Department of Insurance, Financial Institutions & Professional Registration
is an equal opportunity employer

TABLE OF CONTENTS

SECTION	DESCRIPTION	PAGE
I	TEN YEAR SUMMARY ……	3
II	INDEMNITY SUMMARY	
	Area of Real Estate - Ten Year and 2012 Summary ……	9
	Area of Real Estate Trends of 2012 ……	13
	Major Activity - Ten Year and 2012 Summary ……..	17
	Major Activity Trends of 2012 ……..	21
	Alleged Error or Omission - Ten Year and 2012 Summary …….	27
	Alleged Error or Omission Trends of 2012 ……..	31
	Claim Disposition - Ten Year and 2012 Summary ……..	37
	Claim Disposition Trends of 2012 …….	41
	Years Admitted to Practice - Ten Year and 2012 Summary ……..	47
	Years Admitted to Practice Trends of 2012……..	51
	Insured/Claimant Relationship - Ten Year and 2012 Summary ……	55
	Insured/Claimant Relationship Trends of 2012 …….	59
III	PREMIUM AND LOSS DATA ……	63

TEN YEAR SUMMARY (2003-2012)

REAL ESTATE MALPRACTICE INSURANCE

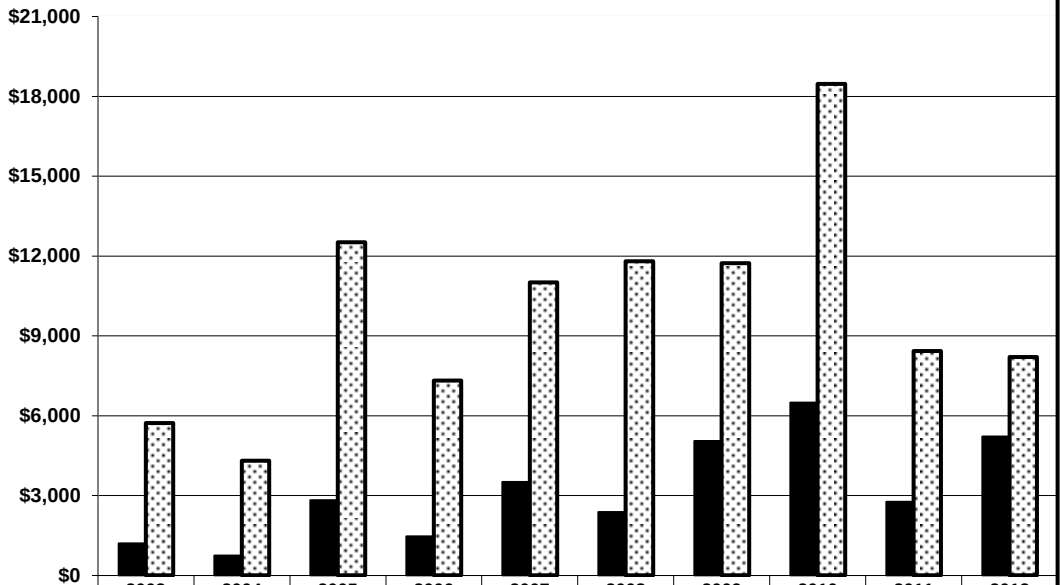
TEN YEAR SUMMARY

2003-2012

CLOSED CLAIMS	NUMBER OF CLAIMS	PERCENT OF CLAIMS	TOTAL INDEMNITY PAID	AVERAGE INDEMNITY PAID	TOTAL LOSS EXPENSES PAID	AVERAGE LOSS EXPENSE PAID
All Closed Claims	848	100.0%	$2,587,101	$3,051	$6,237,641	$7,356
Closed with Payment	241	28.4%	$2,587,101	$10,735	$3,786,895	$15,713
Closed without Payment	607	71.6%	$0	$0	$2,450,746	$4,037

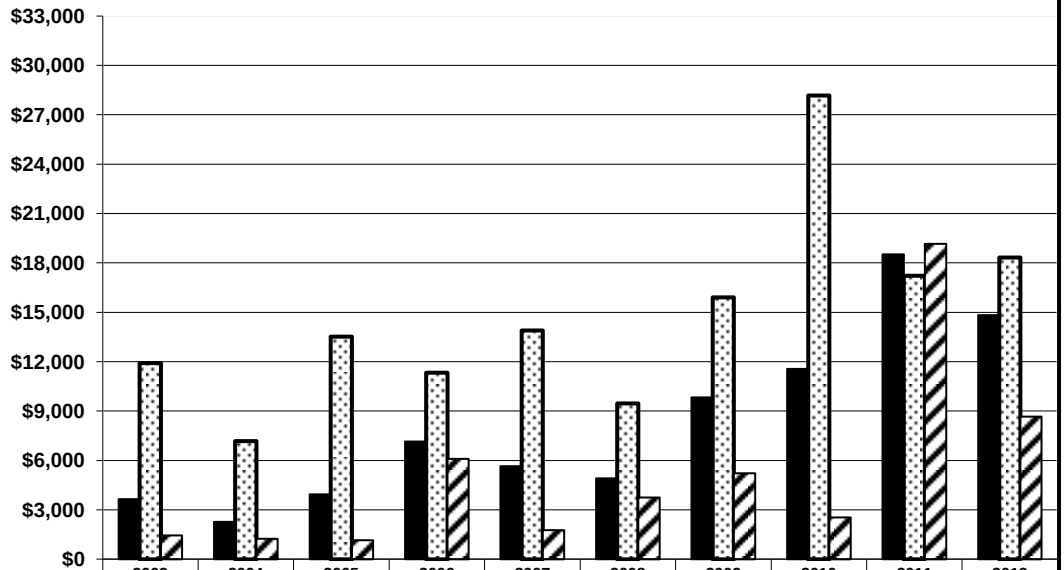
MISSOURI REAL ESTATE MALPRACTICE INSURANCE

Average Paid Claim



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
ALL CLOSED CLAIMS	$1,207	$751	$2,826	$1,464	$3,516	$2,387	$5,047	$6,493	$2,770	$5,221
CLOSED WITH PAYMENT	$5,719	$4,306	$12,513	$7,319	$11,001	$11,802	$11,730	$18,463	$8,425	$8,204

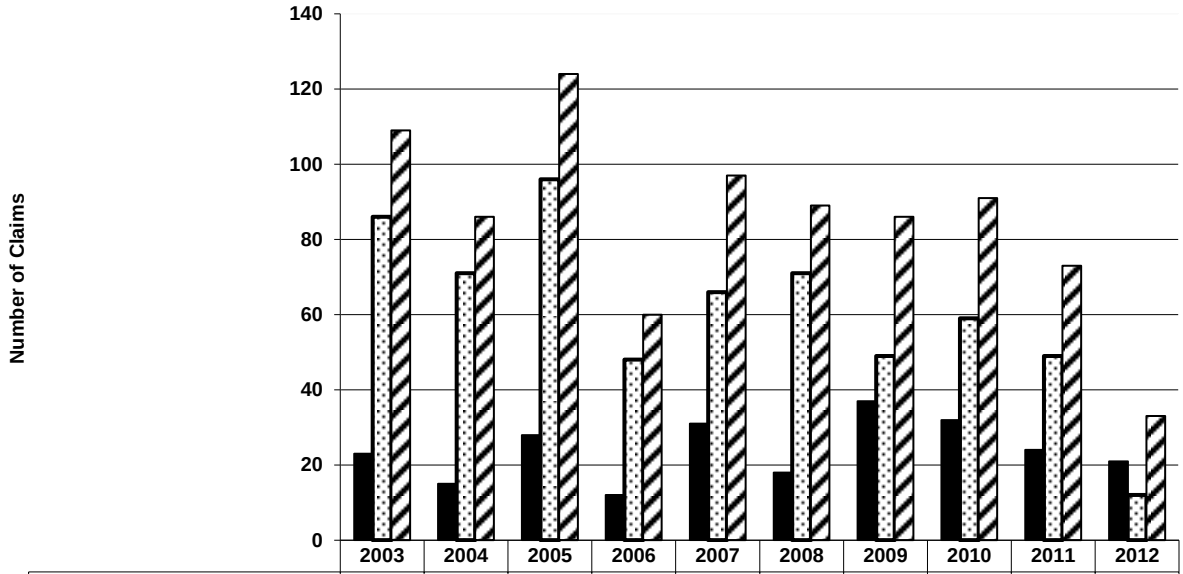
Average Paid Loss Adjustment Expense



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
ALL CLAIMS	$3,658	$2,279	$3,948	$7,153	$5,650	$4,918	$9,826	$11,557	$18,530	$14,822
CLOSED WITH PAYMENT	$11,926	$7,181	$13,527	$11,335	$13,901	$9,476	$15,907	$28,171	$17,226	$18,341
CLOSED WITHOUT PAYMENT	$1,446	$1,243	$1,154	$6,107	$1,775	$3,762	$5,234	$2,546	$19,168	$8,665

MISSOURI REAL ESTATE MALPRACTICE INSURANCE

Claim Count



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
CLOSED WITH PAYMENT	23	15	28	12	31	18	37	32	24	21
CLOSED WITHOUT PAYMENT	86	71	96	48	66	71	49	59	49	12
TOTAL	109	86	124	60	97	89	86	91	73	33

TEN YEAR SUMMARY
&
2012 SUMMARY
BY
AREA OF REAL ESTATE

REAL ESTATE MALPRACTICE INSURANCE

INDEMNITY ANALYSIS

FOR YEARS 2003-2012

AREA OF REAL ESTATE	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
AS AGENT TO PROCURE PURCHASE OF PROPERTY	653	189	78.42%	$11,055	$2,089,387	80.76%	$6,353
AS AGENT TO PROCURE PROPERTY TO PURCHASE	195	52	21.58%	$9,571	$497,714	19.24%	$10,713
TOTAL	848	241	100.00%	$10,735	$2,587,101	100.00%	$7,356

INDEMNITY ANALYSIS

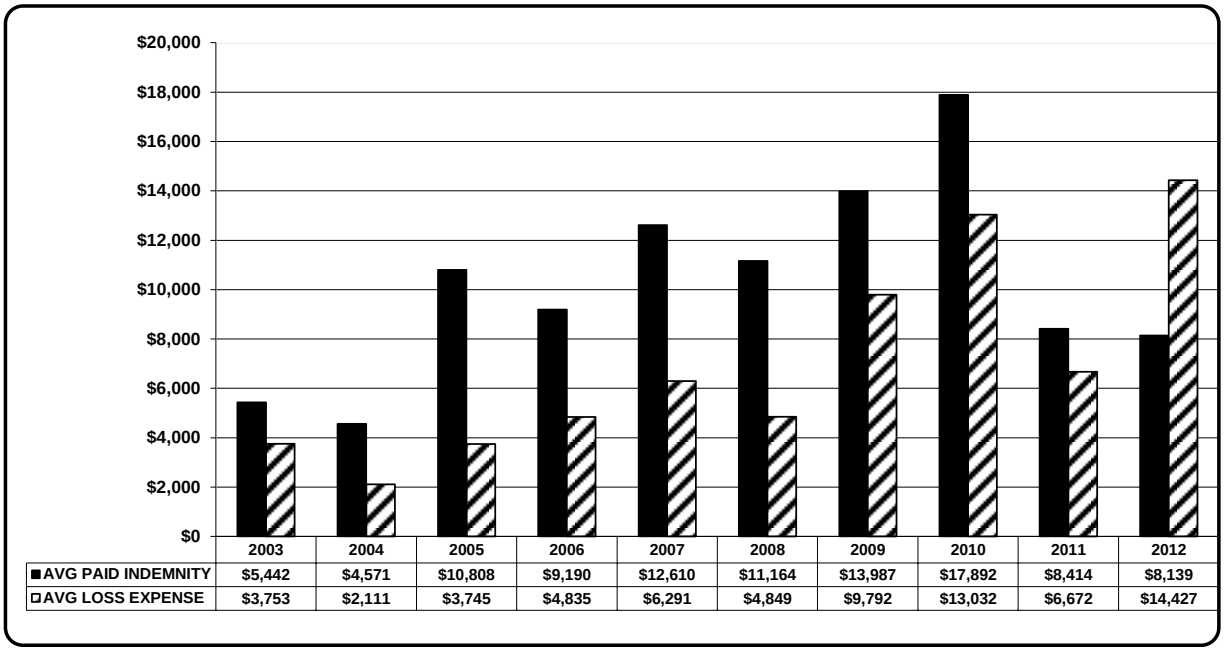
CLAIMS CLOSED IN 2012

AREA OF REAL ESTATE	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
AS AGENT TO PROCURE PURCHASE OF PROPERTY	24	15	71.43%	$8,139	$122,089	70.87%	$14,427
AS AGENT TO PROCURE PROPERTY TO PURCHASE	9	6	28.57%	$8,365	$50,190	29.13%	$15,877
TOTAL	33	21	100.00%	$8,204	$172,279	100.00%	$14,822

AREA OF REAL ESTATE TRENDS OF 2012

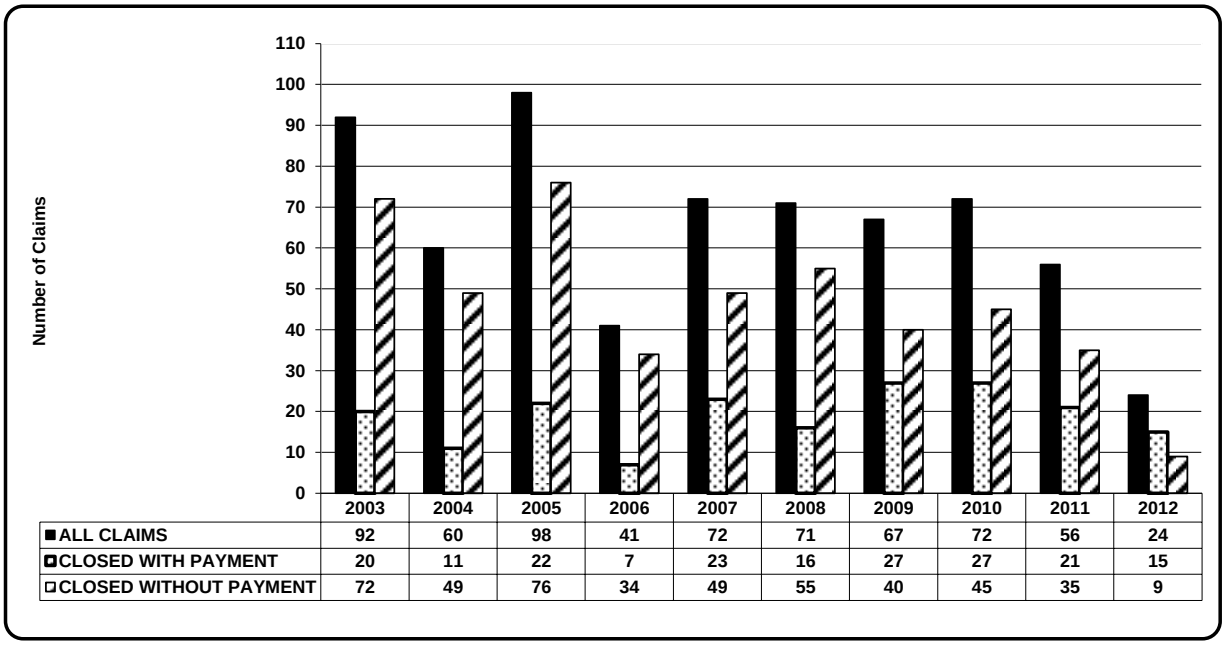
AS AGENT TO PROCURE PURCHASE OF PROPERTY (Seller)

Average Paid Indemnity & Average Loss Expense



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
AVG PAID INDEMNITY	$5,442	$4,571	$10,808	$9,190	$12,610	$11,164	$13,987	$17,892	$8,414	$8,139
AVG LOSS EXPENSE	$3,753	$2,111	$3,745	$4,835	$6,291	$4,849	$9,792	$13,032	$6,672	$14,427

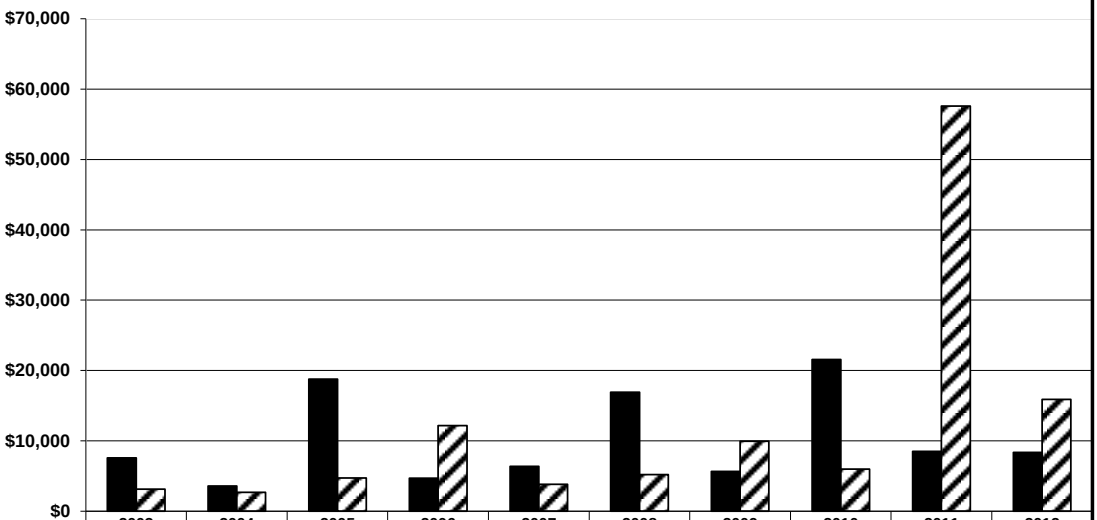
Claim Count



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
ALL CLAIMS	92	60	98	41	72	71	67	72	56	24
CLOSED WITH PAYMENT	20	11	22	7	23	16	27	27	21	15
CLOSED WITHOUT PAYMENT	72	49	76	34	49	55	40	45	35	9

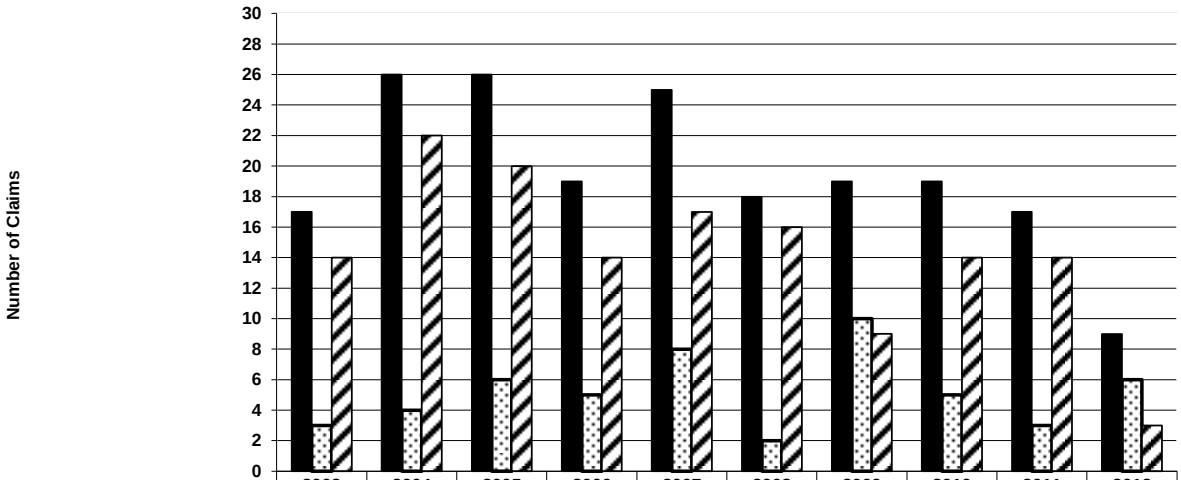
AS AGENT TO PROCURE PROPERTY TO PURCHASE (Buyer)

Average Paid Indemnity & Average Loss Expense



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
AVG PAID INDEMNITY	$7,567	$3,575	$18,767	$4,700	$6,376	$16,910	$5,635	$21,550	$8,500	$8,365
AVG LOSS EXPENSE	$3,143	$2,667	$4,713	$12,154	$3,804	$5,187	$9,944	$5,970	$57,589	$15,877

Claim Count



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
ALL CLAIMS	17	26	26	19	25	18	19	19	17	9
CLOSED WITH PAYMENT	3	4	6	5	8	2	10	5	3	6
CLOSED WITHOUT PAYMENT	14	22	20	14	17	16	9	14	14	3

TEN YEAR SUMMARY
&
2012 SUMMARY
BY
MAJOR ACTIVITY

REAL ESTATE MALPRACTICE INSURANCE

INDEMNITY ANALYSIS

FOR YEARS 2003-2012

MAJOR ACTIVITY CODE	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
LISTING THE PROPERTY FOR SALE	523	143	59.34%	$9,920	$1,418,527	54.83%	$6,278
SHOWING PROPERTY	218	54	22.41%	$10,183	$549,860	21.25%	$9,738
CLOSING AND TRANSFERRING TITLE	107	44	18.26%	$14,062	$618,714	23.92%	$7,769
TOTAL	848	241	100.00%	$10,735	$2,587,101	100.00%	$7,356

REAL ESTATE MALPRACTICE INSURANCE

INDEMNITY ANALYSIS

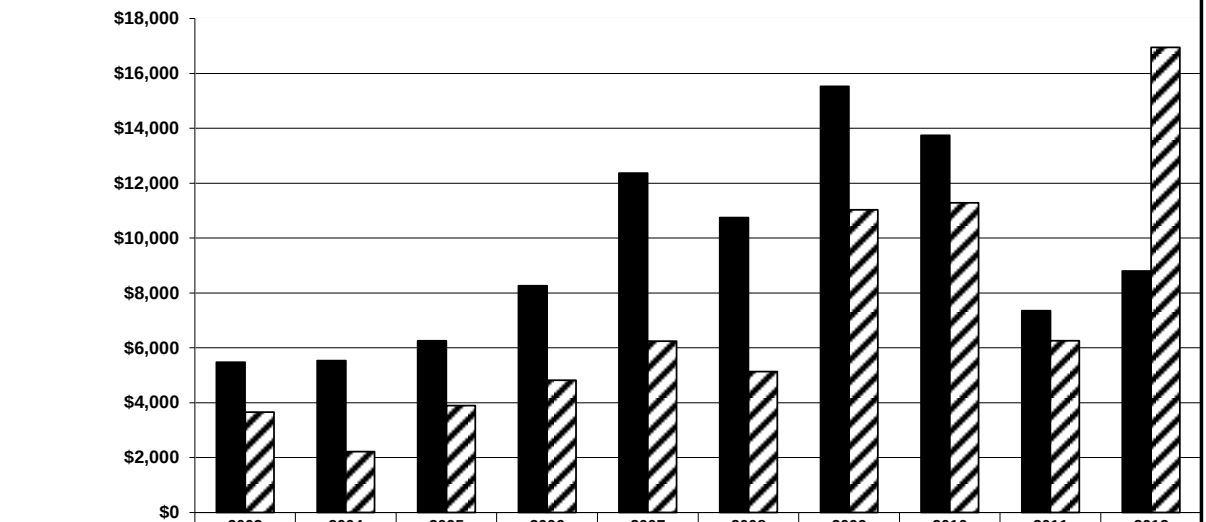
CLAIMS CLOSED IN 2012

MAJOR ACTIVITY CODE	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
LISTING THE PROPERTY FOR SALE	19	13	61.90%	$8,805	$114,464	66.44%	$16,947
SHOWING PROPERTY	9	5	23.81%	$7,523	$37,615	21.83%	$12,940
CLOSING AND TRANSFERRING TITLE	5	3	14.29%	$6,733	$20,200	11.73%	$10,137
TOTAL	33	21	100.00%	$8,204	$172,279	100.00%	$14,822

MAJOR ACTIVITY TRENDS OF 2012

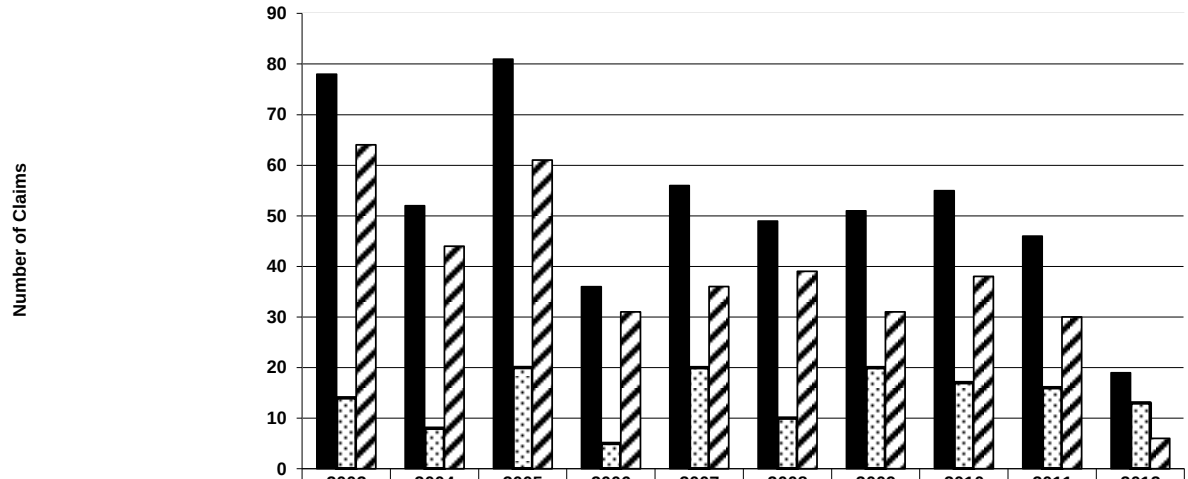
LISTING THE PROPERTY FOR SALE

Average Paid Indemnity & Average Loss Expense



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
AVG PAID INDEMNITY	$5,474	$5,531	$6,254	$8,266	$12,365	$10,750	$15,531	$13,744	$7,356	$8,805
AVG LOSS EXPENSE	$3,657	$2,221	$3,892	$4,819	$6,240	$5,137	$11,027	$11,286	$6,256	$16,947

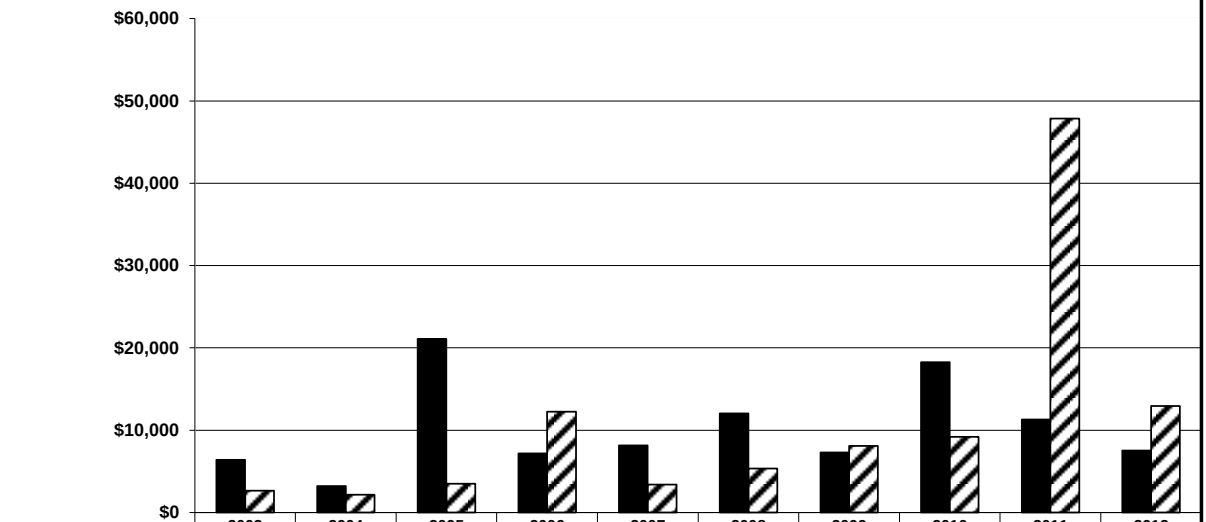
Claim Count



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
ALL CLAIMS	78	52	81	36	56	49	51	55	46	19
CLOSED WITH PAYMENT	14	8	20	5	20	10	20	17	16	13
CLOSED WITHOUT PAYMENT	64	44	61	31	36	39	31	38	30	6

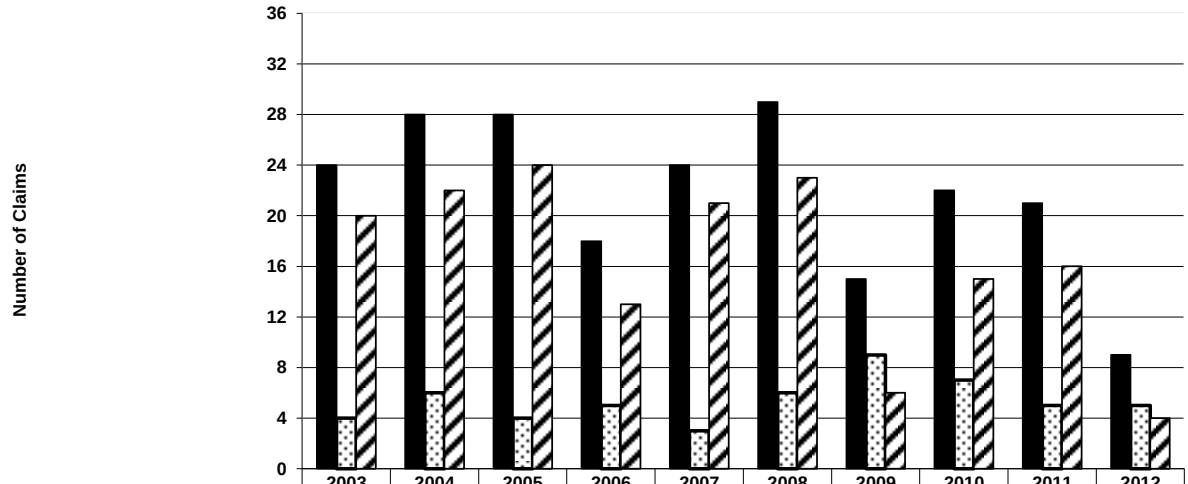
SHOWING PROPERTY

Average Paid Indemnity & Average Loss Expense



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
AVG PAID INDEMNITY	$6,425	$3,222	$21,123	$7,200	$8,152	$12,040	$7,289	$18,275	$11,300	$7,523
AVG LOSS EXPENSE	$2,645	$2,161	$3,497	$12,237	$3,393	$5,331	$8,089	$9,184	$47,851	$12,940

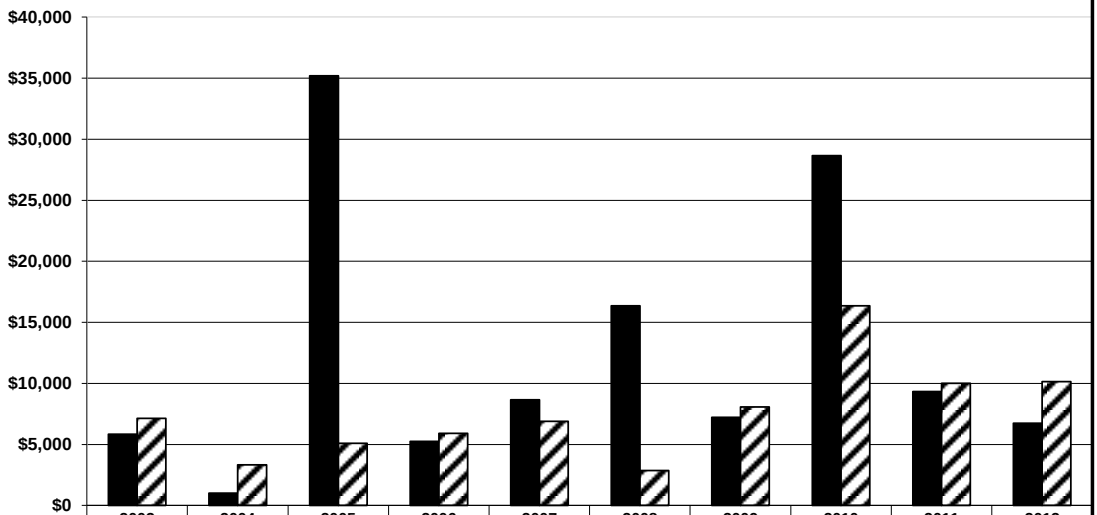
Claim Count



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
ALL CLAIMS	24	28	28	18	24	29	15	22	21	9
CLOSED WITH PAYMENT	4	6	4	5	3	6	9	7	5	5
CLOSED WITHOUT PAYMENT	20	22	24	13	21	23	6	15	16	4

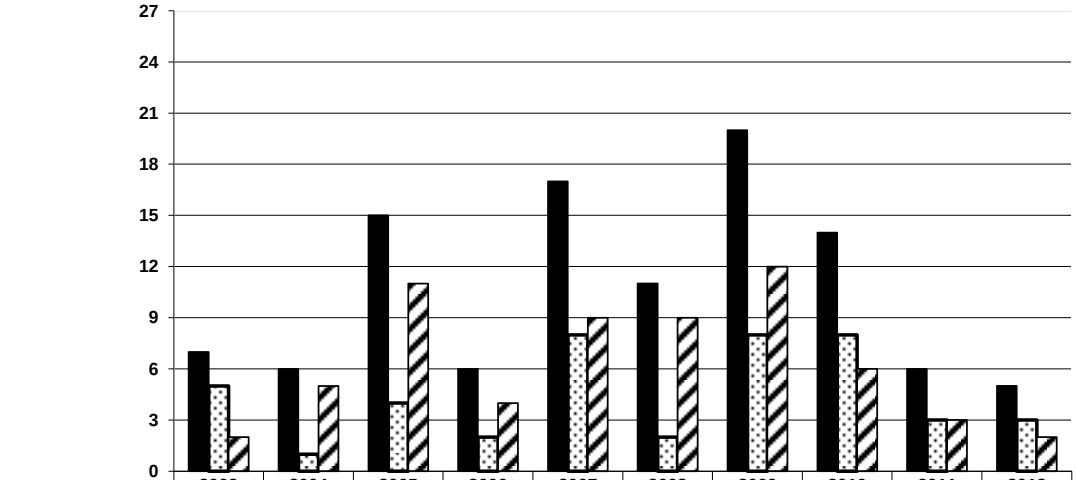
CLOSING AND TRANSFERRING TITLE

Average Paid Indemnity & Average Loss Expense



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
AVG PAID INDEMNITY	$5,840	$1,000	$35,199	$5,250	$8,662	$16,350	$7,222	$28,656	$9,333	$6,733
AVG LOSS EXPENSE	$7,139	$3,332	$5,092	$5,906	$6,893	$2,853	$8,064	$16,354	$10,002	$10,137

Claim Count



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
ALL CLAIMS	7	6	15	6	17	11	20	14	6	5
CLOSED WITH PAYMENT	5	1	4	2	8	2	8	8	3	3
CLOSED WITHOUT PAYMENT	2	5	11	4	9	9	12	6	3	2

TEN YEAR SUMMARY
&
2012 SUMMARY
BY
ALLEGED ERROR OR OMISSION

REAL ESTATE MALPRACTICE INSURANCE

INDEMNITY ANALYSIS

FOR YEARS 2003-2012

ALLEGED ERROR OR OMISSION	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
FAILURE TO DISCLOSE MATERIAL FACT	566	186	77.18%	$10,093	$1,877,347	72.57%	$8,360
OTHER	217	38	15.77%	$15,258	$579,804	22.41%	$4,274
FAILURE TO CORRECTLY COMPLETE FORMS	65	17	7.05%	$7,644	$129,950	5.02%	$8,902
TOTAL	848	241	100.00%	$10,735	$2,587,101	100.00%	$7,356

REAL ESTATE MALPRACTICE INSURANCE

INDEMNITY ANALYSIS

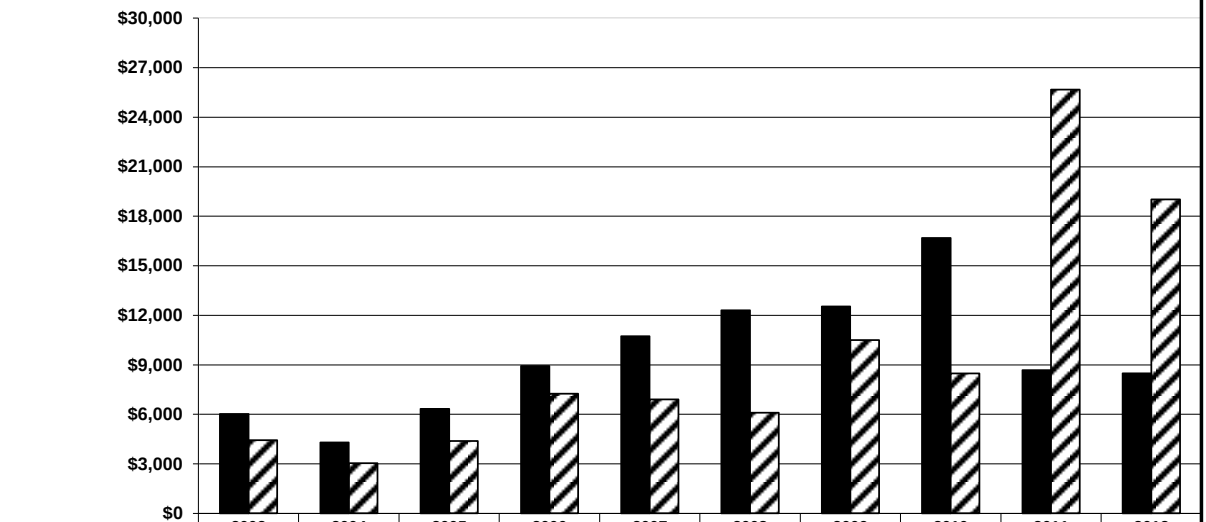
CLAIMS CLOSED IN 2012

ALLEGED ERROR OR OMISSION	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
FAILURE TO DISCLOSE MATERIAL FACT	20	14	66.67%	$8,487	$118,815	68.97%	$19,010
OTHER	10	7	33.33%	$7,638	$53,464	31.03%	$10,893
FAILURE TO CORRECTLY COMPLETE FORMS	3	0	0.00%	N/A	$0	0.00%	$0
TOTAL	33	21	100.00%	$8,204	$172,279	100.00%	$14,822

ALLEGED ERROR OR OMISSION TRENDS OF 2012

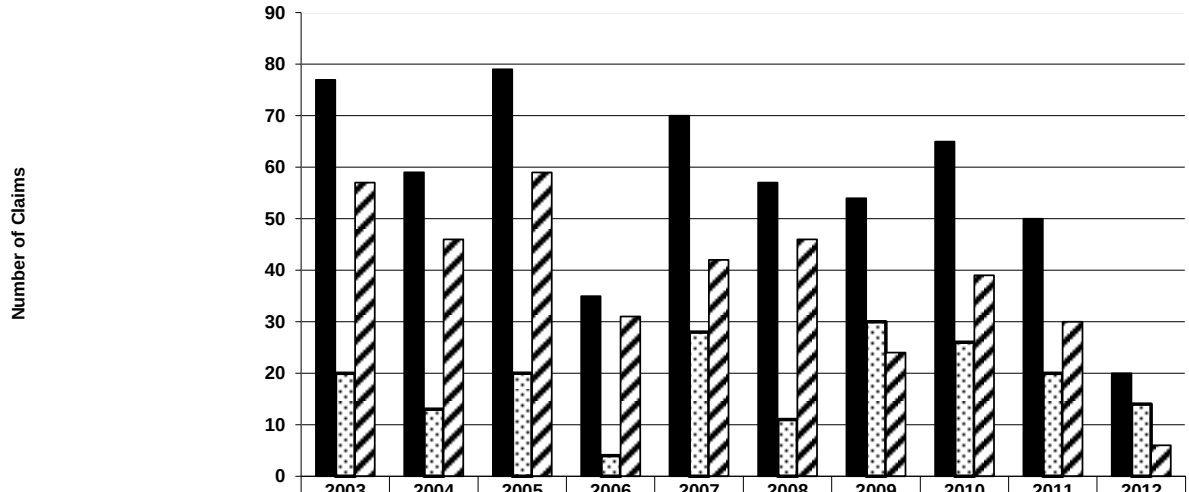
FAILURE TO DISCLOSE MATERIAL FACT ABOUT THE PROPERTY

Average Paid Indemnity & Average Loss Expense



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
AVG PAID INDEMNITY	$6,017	$4,304	$6,340	$8,938	$10,734	$12,307	$12,533	$16,695	$8,685	$8,487
AVG LOSS EXPENSE	$4,429	$3,038	$4,380	$7,250	$6,894	$6,097	$10,499	$8,475	$25,668	$19,010

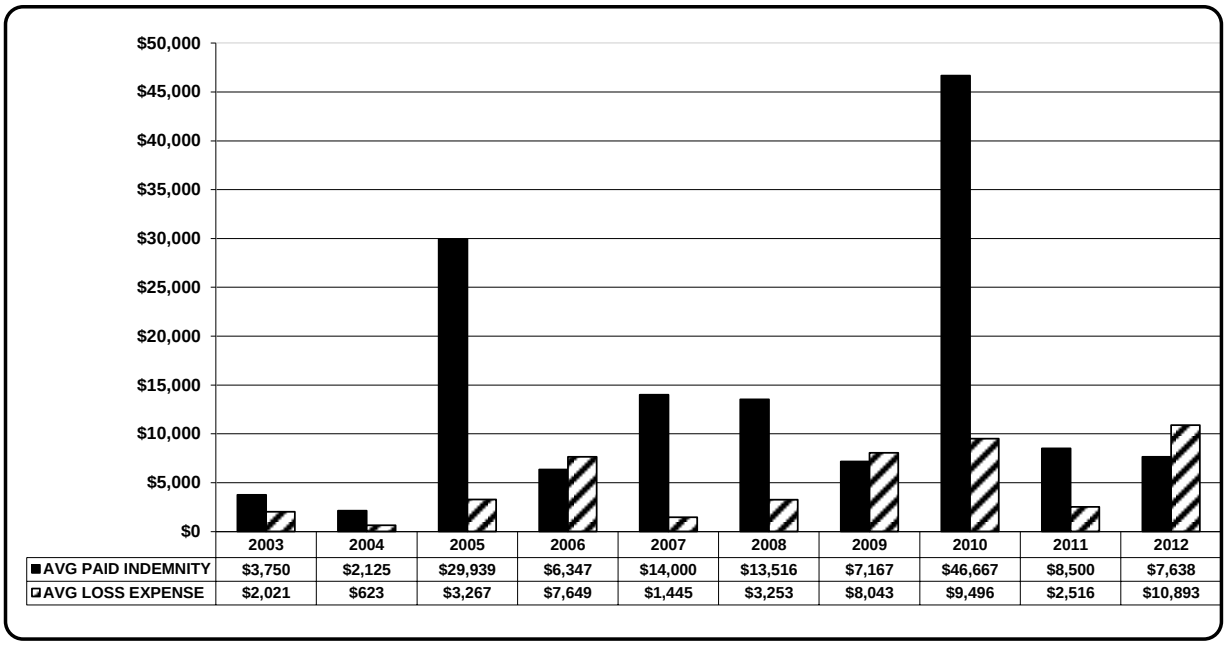
Claim Count



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
ALL CLAIMS	77	59	79	35	70	57	54	65	50	20
CLOSED WITH PAYMENT	20	13	20	4	28	11	30	26	20	14
CLOSED WITHOUT PAYMENT	57	46	59	31	42	46	24	39	30	6

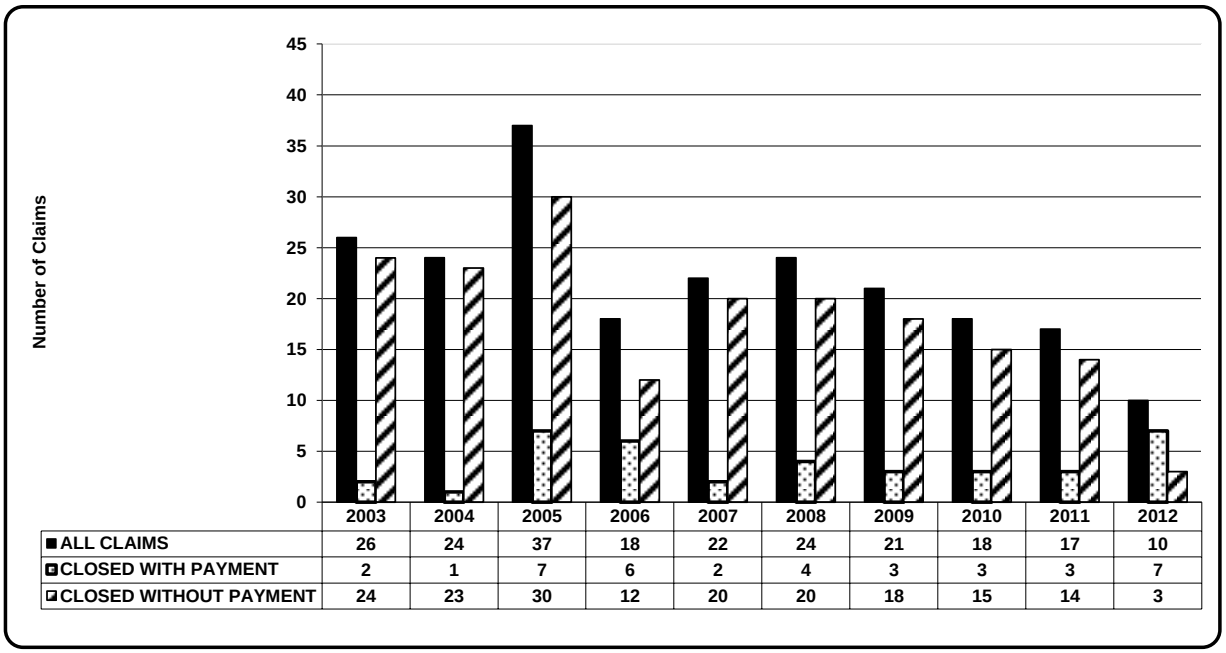
OTHER

Average Paid Indemnity & Average Loss Expense



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
AVG PAID INDEMNITY	$3,750	$2,125	$29,939	$6,347	$14,000	$13,516	$7,167	$46,667	$8,500	$7,638
AVG LOSS EXPENSE	$2,021	$623	$3,267	$7,649	$1,445	$3,253	$8,043	$9,496	$2,516	$10,893

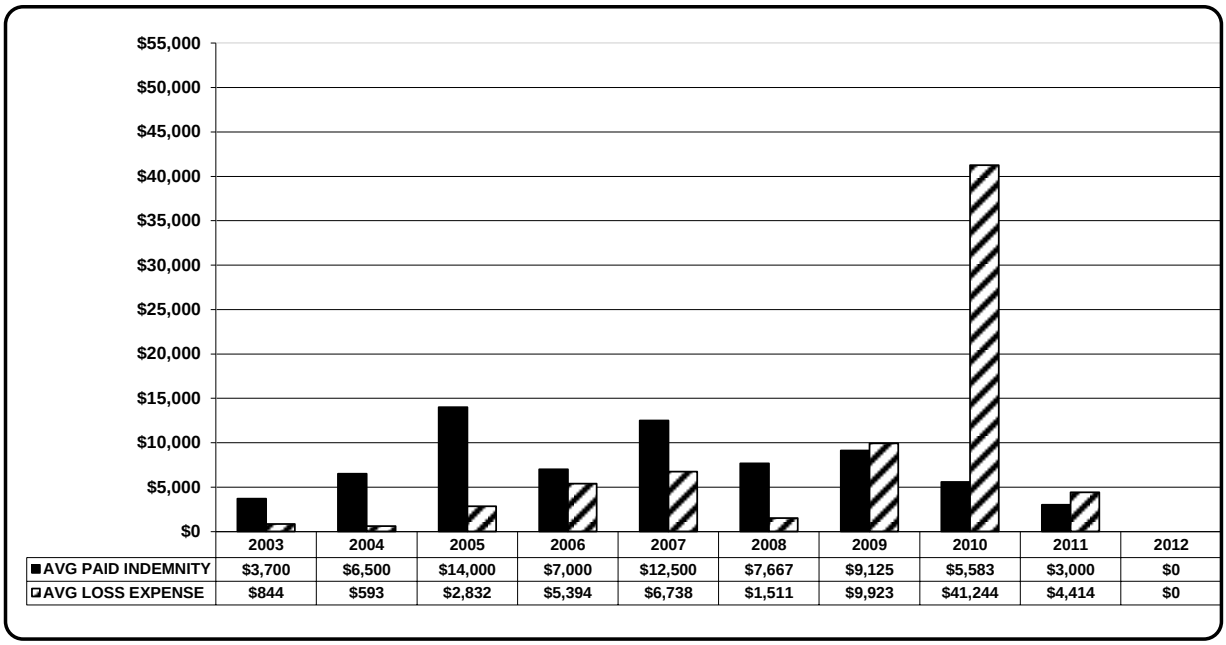
Claim Count



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
ALL CLAIMS	26	24	37	18	22	24	21	18	17	10
CLOSED WITH PAYMENT	2	1	7	6	2	4	3	3	3	7
CLOSED WITHOUT PAYMENT	24	23	30	12	20	20	18	15	14	3

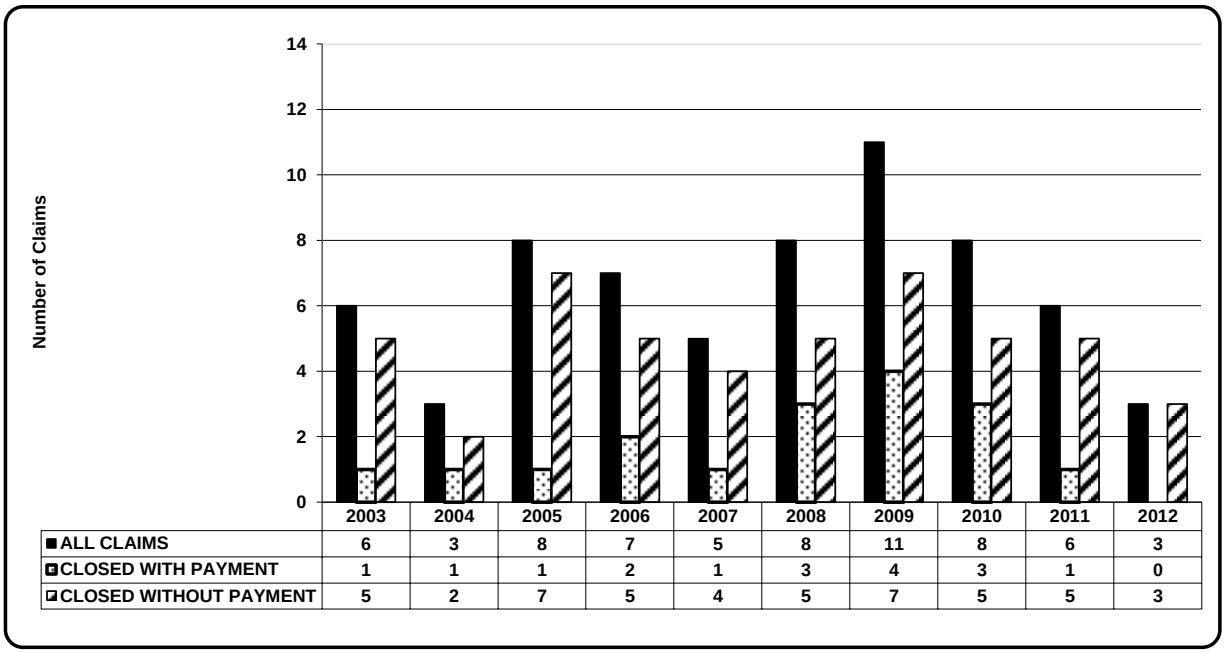
FAILURE TO CORRECTLY COMPLETE FORMS TO TRANSFER OWNERSHIP

Average Paid Indemnity & Average Loss Expense



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
AVG PAID INDEMNITY	$3,700	$6,500	$14,000	$7,000	$12,500	$7,667	$9,125	$5,583	$3,000	$0
AVG LOSS EXPENSE	$844	$593	$2,832	$5,394	$6,738	$1,511	$9,923	$41,244	$4,414	$0

Claim Count



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
ALL CLAIMS	6	3	8	7	5	8	11	8	6	3
CLOSED WITH PAYMENT	1	1	1	2	1	3	4	3	1	0
CLOSED WITHOUT PAYMENT	5	2	7	5	4	5	7	5	5	3

TEN YEAR SUMMARY
&
2012 SUMMARY
BY
CLAIM DISPOSITION

REAL ESTATE MALPRACTICE INSURANCE

INDEMNITY ANALYSIS

FOR YEARS 2003-2012

CLAIM DISPOSITION	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
BEFORE TRIAL OR HEARING	339	184	76.35%	$10,531	$1,937,673	74.90%	$15,359
BEFORE FILING SUIT OR DEMANDING HEARING	306	50	20.75%	$7,600	$380,001	14.69%	$1,129
CLAIM OR SUIT ABANDONED	161	0	0.00%	N/A	$0	0.00%	$1,020
AFTER JUDGMENT, BEFORE APPEAL	23	4	1.66%	$31,107	$124,427	4.81%	$10,813
DURING TRIAL OR HEARING	10	2	0.83%	$70,000	$140,000	5.41%	$15,274
AFTER APPEAL	4	0	0.00%	N/A	$0	0.00%	$26,188
AFTER TRIAL OR HEARING, BEFORE JUDGMENT	4	1	0.41%	$5,000	$5,000	0.19%	$3,794
DURING APPEAL	1	0	0.00%	N/A	$0	0.00%	$0
TOTAL	848	241	100.00%	$10,735	$2,587,101	100.00%	$7,356

REAL ESTATE MALPRACTICE INSURANCE

INDEMNITY ANALYSIS

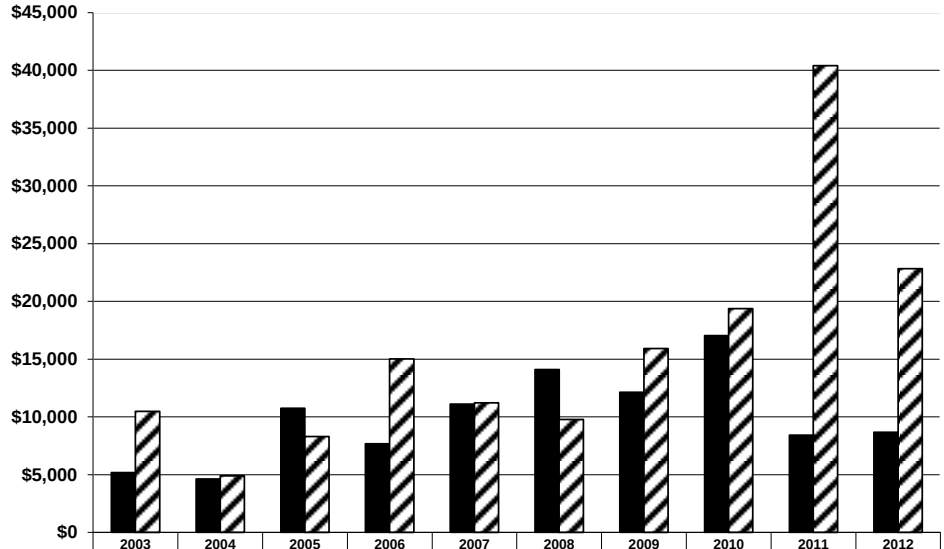
CLAIMS CLOSED IN 2012

CLAIM DISPOSITION	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
BEFORE TRIAL OR HEARING	19	14	66.67%	$8,677	$121,473	70.51%	$22,828
BEFORE FILING SUIT OR DEMANDING HEARING	10	7	33.33%	$7,258	$50,806	29.49%	$2,111
CLAIM OR SUIT ABANDONED	3	0	0.00%	N/A	$0	0.00%	$2,088
AFTER JUDGMENT, BEFORE APPEAL	1	0	0.00%	N/A	$0	0.00%	$28,040
TOTAL	33	21	100.00%	$8,204	$172,279	100.00%	$14,822

CLAIM DISPOSITION TRENDS OF 2012

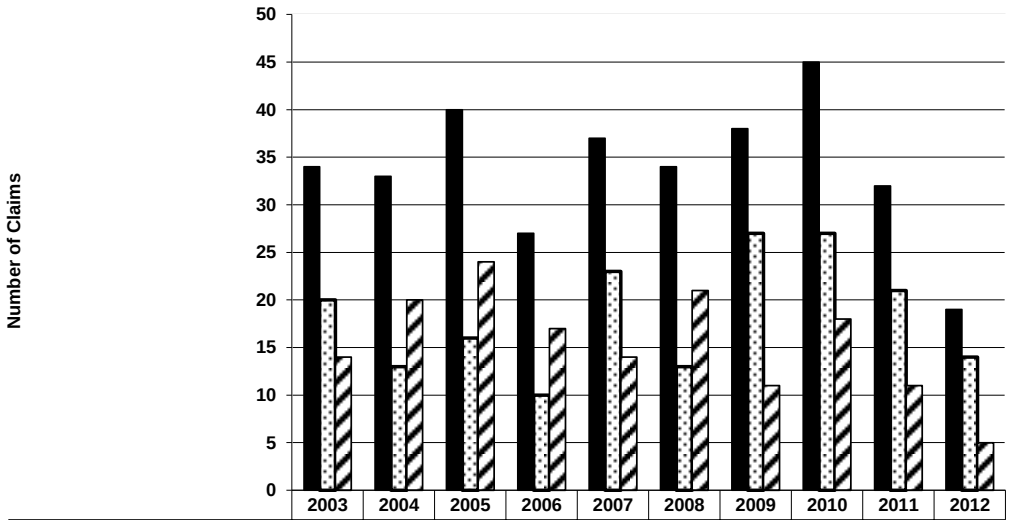
BEFORE TRIAL OR HEARING

Average Paid Indemnity & Average Loss Expense



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
AVG PAID INDEMNITY	$5,190	$4,625	$10,752	$7,675	$11,121	$14,095	$12,143	$17,027	$8,423	$8,677
AVG LOSS EXPENSE	$10,475	$4,896	$8,309	$15,012	$11,224	$9,775	$15,926	$19,380	$40,399	$22,828

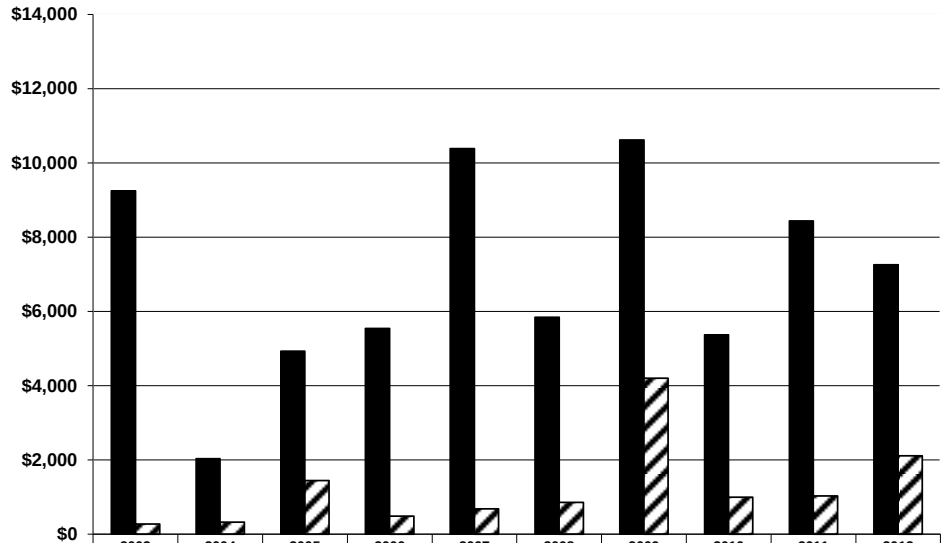
Claim Count



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
ALL CLAIMS	34	33	40	27	37	34	38	45	32	19
CLOSED WITH PAYMENT	20	13	16	10	23	13	27	27	21	14
CLOSED WITHOUT PAYMENT	14	20	24	17	14	21	11	18	11	5

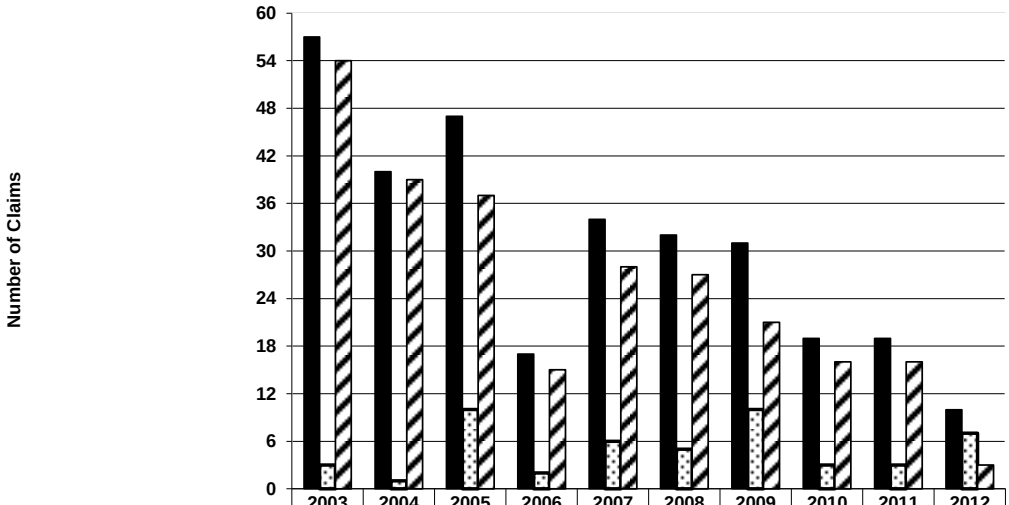
BEFORE FILING SUIT OR DEMANDING HEARING

Average Paid Indemnity & Average Loss Expense



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
AVG PAID INDEMNITY	$9,245	$2,034	$4,929	$5,541	$10,384	$5,840	$10,615	$5,367	$8,433	$7,258
AVG LOSS EXPENSE	$273	$326	$1,448	$485	$683	$857	$4,200	$997	$1,029	$2,111

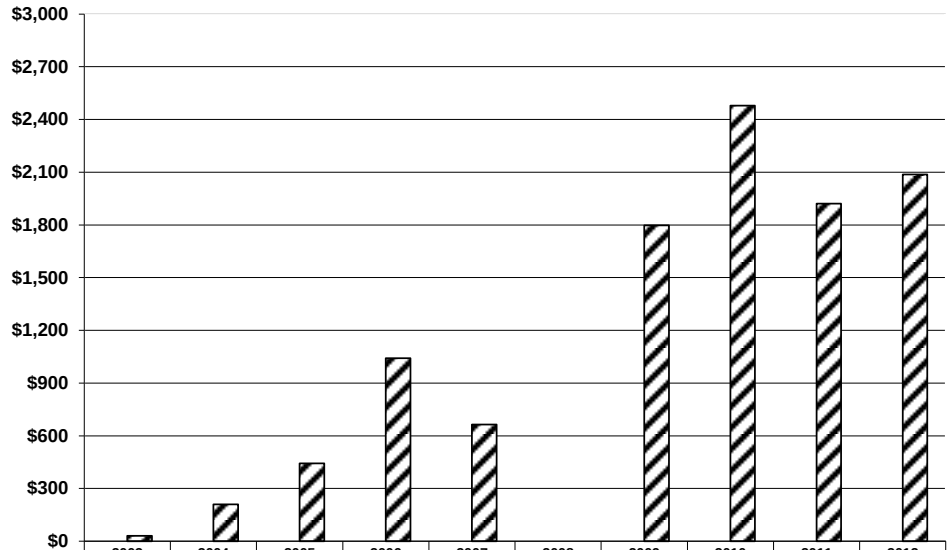
Claim Count



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
ALL CLAIMS	57	40	47	17	34	32	31	19	19	10
CLOSED WITH PAYMENT	3	1	10	2	6	5	10	3	3	7
CLOSED WITHOUT PAYMENT	54	39	37	15	28	27	21	16	16	3

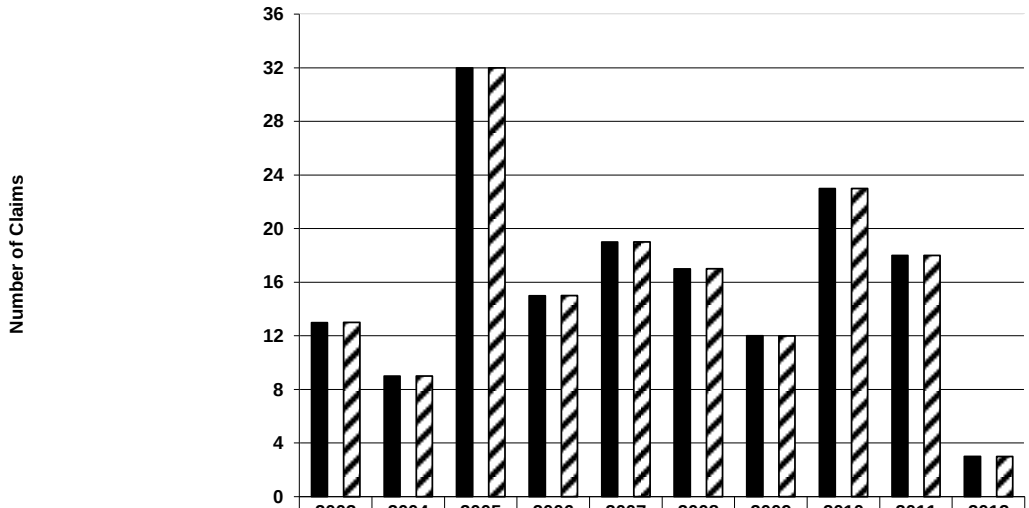
CLAIM OR SUIT ABANDONED

Average Paid Indemnity & Average Loss Expense



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
AVG PAID INDEMNITY	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
AVG LOSS EXPENSE	$31	$210	$443	$1,041	$664	$0	$1,798	$2,480	$1,921	$2,088

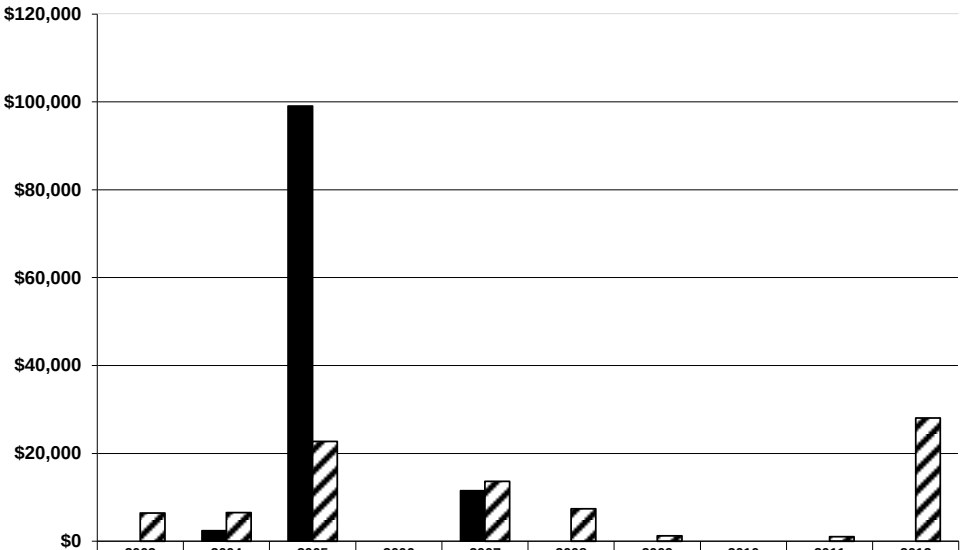
Claim Count



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
ALL CLAIMS	13	9	32	15	19	17	12	23	18	3
CLOSED WITH PAYMENT	0	0	0	0	0	0	0	0	0	0
CLOSED WITHOUT PAYMENT	13	9	32	15	19	17	12	23	18	3

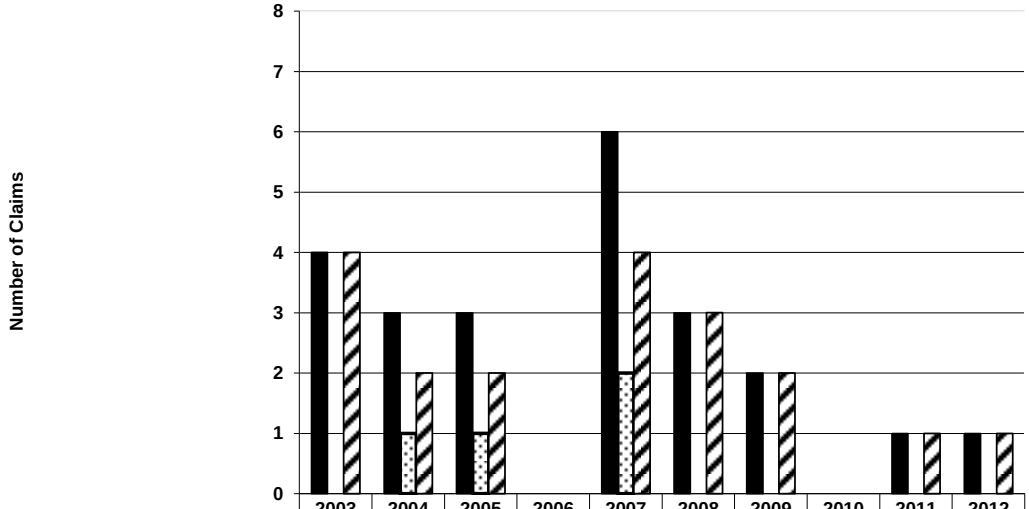
AFTER JUDGMENT, BEFORE APPEAL

Average Paid Indemnity & Average Loss Expense



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
AVG PAID INDEMNITY	$0	$2,424	$99,046	$0	$11,479	$0	$0	$0	$0	$0
AVG LOSS EXPENSE	$6,404	$6,507	$22,716	$0	$13,625	$7,361	$1,250	$0	$1,044	$28,040

Claim Count



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
ALL CLAIMS	4	3	3	0	6	3	2	0	1	1
CLOSED WITH PAYMENT	0	1	1	0	2	0	0	0	0	0
CLOSED WITHOUT PAYMENT	4	2	2	0	4	3	2	0	1	1

TEN YEAR SUMMARY
&
2012 SUMMARY
BY
YEARS ADMITTED TO PRACTICE

REAL ESTATE MALPRACTICE INSURANCE

INDEMNITY ANALYSIS

FOR YEARS 2003-2012

YEARS ADMITTED TO PRACTICE	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
OVER 10 YEARS	545	164	68.05%	$11,273	$1,848,753	71.46%	$8,829
4 TO 10 YEARS	252	60	24.90%	$8,802	$528,090	20.41%	$4,454
UNDER 4 YEARS	51	17	7.05%	$12,368	$210,258	8.13%	$5,950
TOTAL	848	241	100.00%	$10,735	$2,587,101	100.00%	$7,356

REAL ESTATE MALPRACTICE INSURANCE

INDEMNITY ANALYSIS

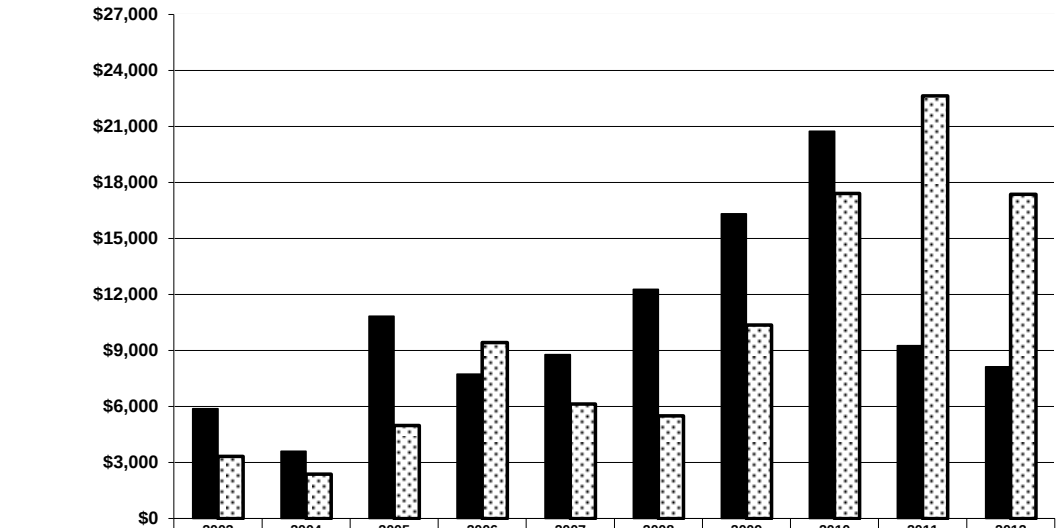
CLAIMS CLOSED IN 2012

YEARS ADMITTED TO PRACTICE	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
OVER 10 YEARS	25	17	80.95%	$8,129	$138,196	80.22%	$17,369
4 TO 10 YEARS	8	4	19.05%	$8,521	$34,083	19.78%	$6,865
TOTAL	33	21	100.00%	$8,204	$172,279	100.00%	$14,822

YEARS ADMITTED TO PRACTICE
TRENDS
OF
2012

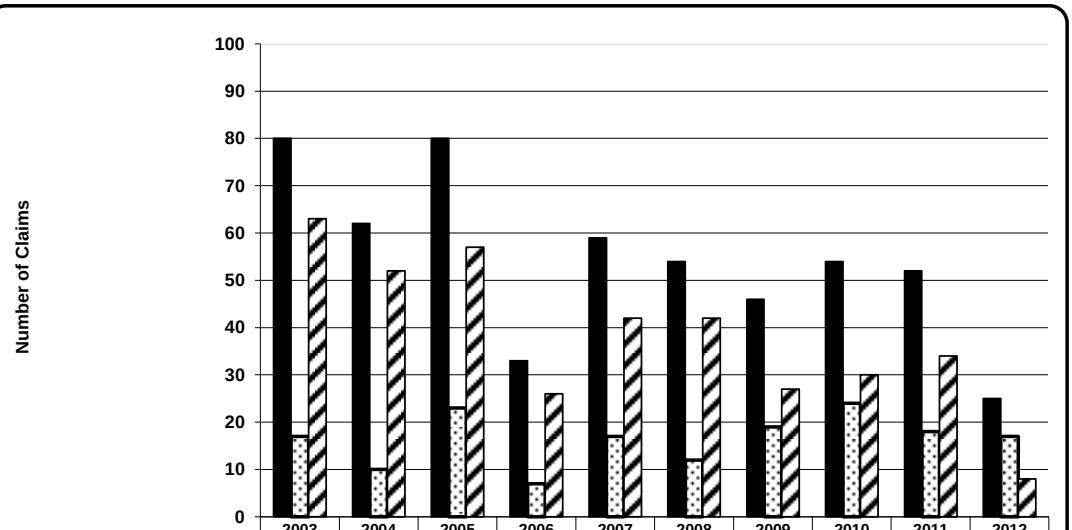
OVER 10 YEARS

Average Paid Indemnity & Average Loss Expense



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
AVG PAID INDEMNITY	$5,884	$3,610	$10,838	$7,726	$8,777	$12,282	$16,313	$20,746	$9,257	$8,129
AVG LOSS EXPENSE	$3,328	$2,380	$4,987	$9,426	$6,132	$5,506	$10,370	$17,410	$22,644	$17,369

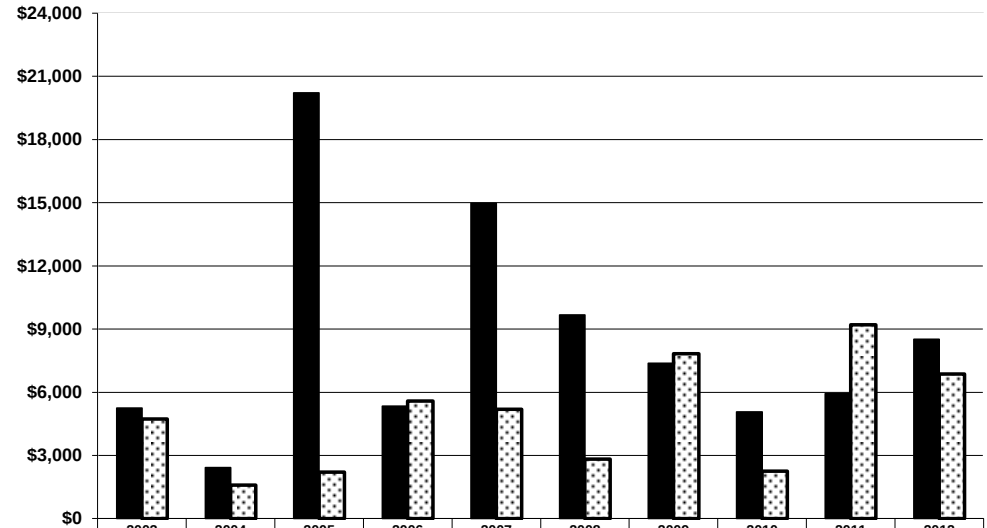
Claim Count



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
ALL CLAIMS	80	62	80	33	59	54	46	54	52	25
CLOSED WITH PAYMENT	17	10	23	7	17	12	19	24	18	17
CLOSED WITHOUT PAYMENT	63	52	57	26	42	42	27	30	34	8

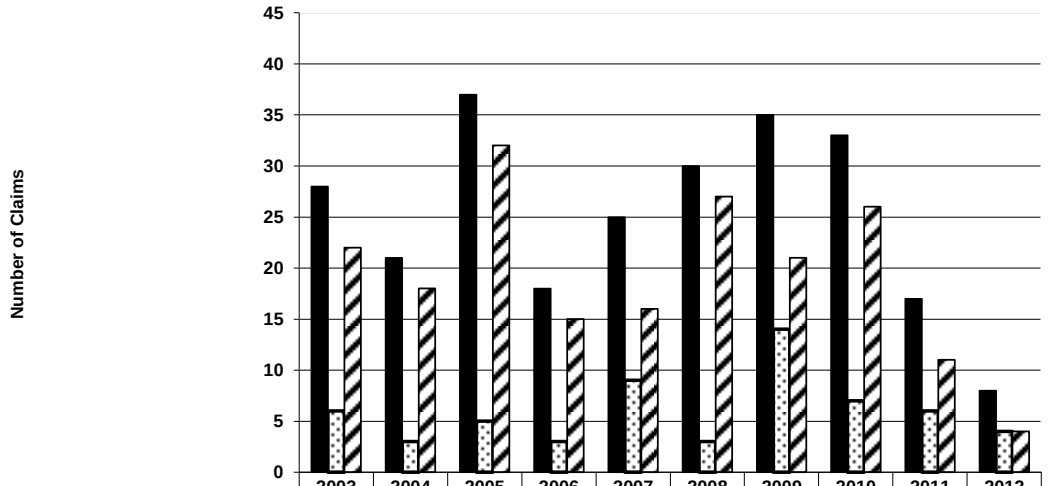
4 TO 10 YEARS

Average Paid Indemnity & Average Loss Expense



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
AVG PAID INDEMNITY	$5,250	$2,428	$20,220	$5,333	$14,982	$9,667	$7,379	$5,060	$5,927	$8,521
AVG LOSS EXPENSE	$4,730	$1,589	$2,207	$5,584	$5,191	$2,828	$7,834	$2,252	$9,204	$6,865

Claim Count



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
ALL CLAIMS	28	21	37	18	25	30	35	33	17	8
CLOSED WITH PAYMENT	6	3	5	3	9	3	14	7	6	4
CLOSED WITHOUT PAYMENT	22	18	32	15	16	27	21	26	11	4

TEN YEAR SUMMARY
&
2012 SUMMARY
BY
INSURED/CLAIMANT RELATIONSHIP

REAL ESTATE MALPRACTICE INSURANCE

INDEMNITY ANALYSIS

FOR YEARS 2003-2012

INSURED'S RELATIONSHIP TO THE CLAIMANT	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
NON-CONTRACTUAL RELATIONSHIP WITH CLAIM	469	126	52.28%	$10,777	$1,357,933	52.49%	$5,909
CONTRACTUAL RELATIONSHIP WITH CLAIMANT	379	115	47.72%	$10,688	$1,229,168	47.51%	$9,146
TOTAL	848	241	100.00%	$10,735	$2,587,101	100.00%	$7,356

REAL ESTATE MALPRACTICE INSURANCE

INDEMNITY ANALYSIS

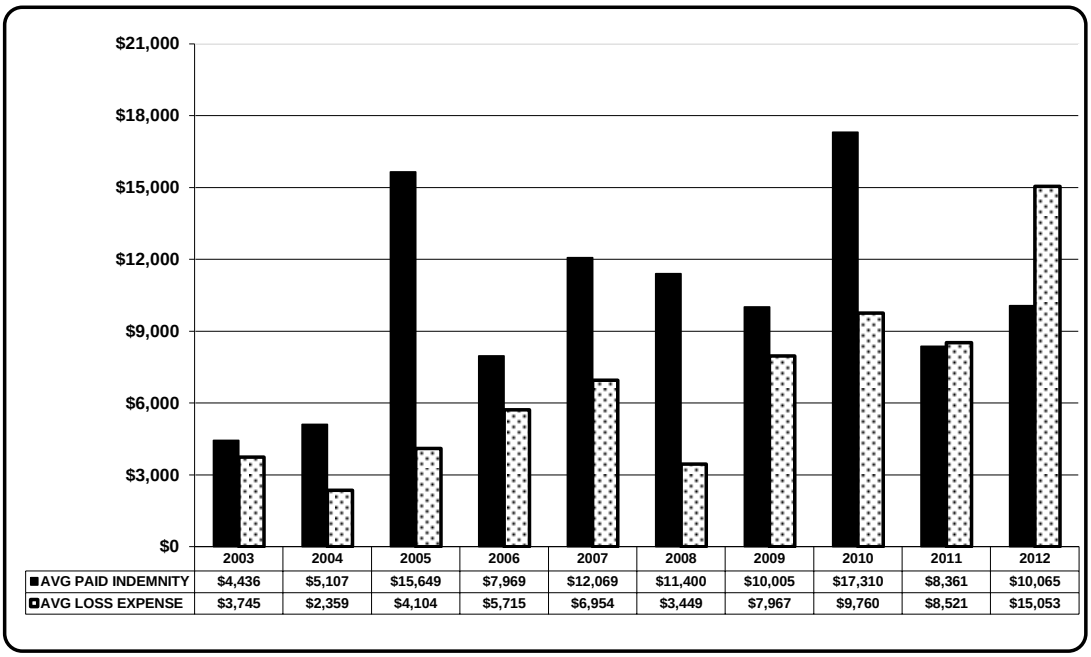
CLAIMS CLOSED IN 2012

INSURED'S RELATIONSHIP TO THE CLAIMANT	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
NON-CONTRACTUAL RELATIONSHIP WITH CLAIM	21	11	52.38%	$10,065	$110,714	64.26%	$15,053
CONTRACTUAL RELATIONSHIP WITH CLAIMANT	12	10	47.62%	$6,157	$61,565	35.74%	$14,419
TOTAL	33	21	100.00%	$8,204	$172,279	100.00%	$14,822

INSURED/CLAIMANT RELATIONSHIP TRENDS OF 2012

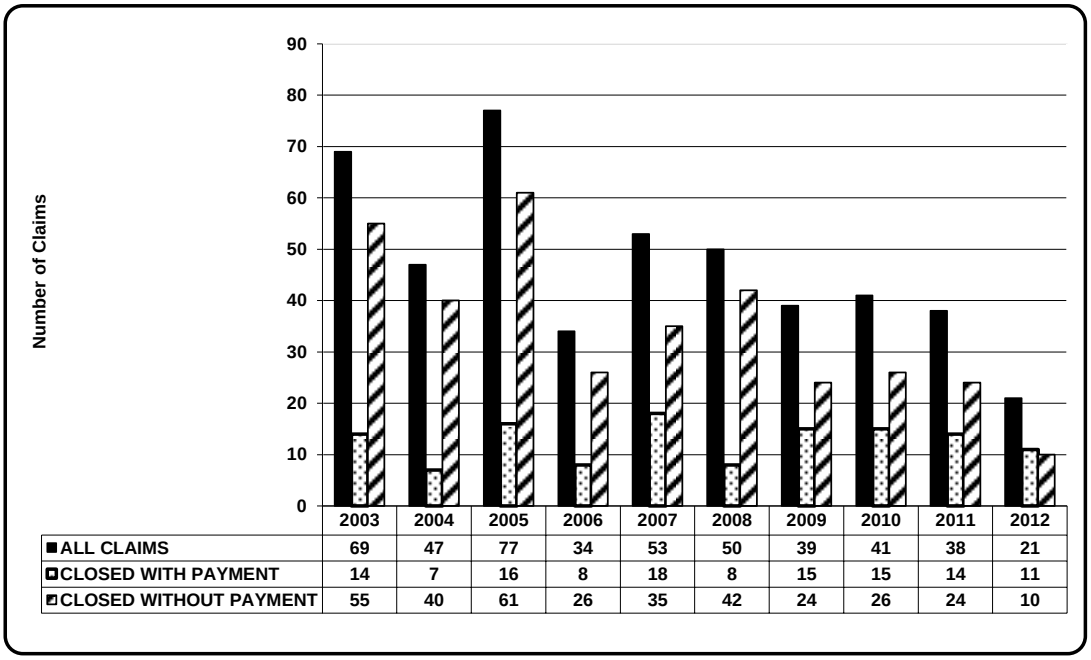
NON-CONTRACTUAL RELATIONSHIP WITH CLAIMANT

Average Paid Indemnity & Average Loss Expense



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
AVG PAID INDEMNITY	$4,436	$5,107	$15,649	$7,969	$12,069	$11,400	$10,005	$17,310	$8,361	$10,065
AVG LOSS EXPENSE	$3,745	$2,359	$4,104	$5,715	$6,954	$3,449	$7,967	$9,760	$8,521	$15,053

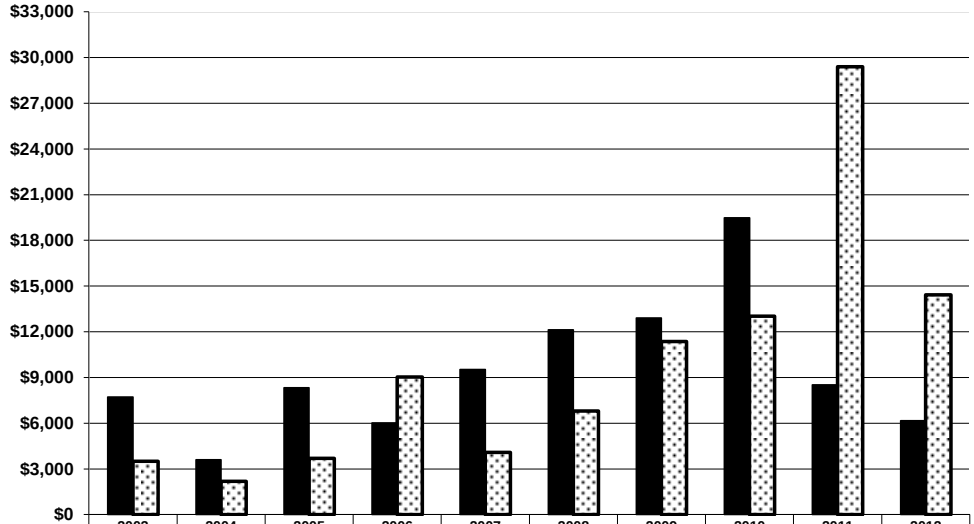
Claim Count



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
ALL CLAIMS	69	47	77	34	53	50	39	41	38	21
CLOSED WITH PAYMENT	14	7	16	8	18	8	15	15	14	11
CLOSED WITHOUT PAYMENT	55	40	61	26	35	42	24	26	24	10

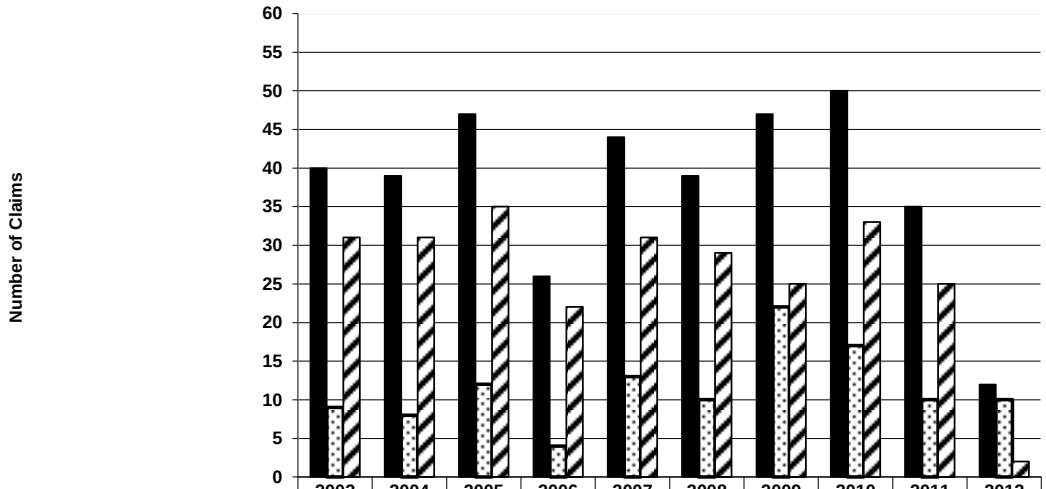
CONTRACTUAL RELATIONSHIP WITH CLAIMANT

Average Paid Indemnity & Average Loss Expense



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
AVG PAID INDEMNITY	$7,715	$3,604	$8,333	$6,020	$9,522	$12,124	$12,906	$19,481	$8,513	$6,157
AVG LOSS EXPENSE	$3,507	$2,182	$3,693	$9,033	$4,079	$6,800	$11,368	$13,032	$29,396	$14,419

Claim Count



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
ALL CLAIMS	40	39	47	26	44	39	47	50	35	12
CLOSED WITH PAYMENT	9	8	12	4	13	10	22	17	10	10
CLOSED WITHOUT PAYMENT	31	31	35	22	31	29	25	33	25	2

PREMIUM
AND
LOSS DATA

PAGE 19 SUPPLEMENT REAL ESTATE MALPRACTICE EXPERIENCE

WITH MARKET SHARE

2012 EXPERIENCE

NAIC Company Code	Company Name	Market Share	Written Premium	Earned Premium	Losses Paid	Incurred Losses	Loss Ratio
20443	CONTINENTAL CASUALTY COMPANY	52.09%	$908,762	$919,173	$188,152	$222,864	24.25%
31194	TRAVELERS CASUALTY AND SURETY COMP/	18.71%	$326,379	$292,434	$13,471	$92,971	31.79%
29459	TWIN CITY FIRE INSURANCE COMPANY	12.05%	$210,248	$306,248	$0	$5,645	1.84%
27154	ATLANTIC SPECIALTY INSURANCE COMPAN	8.28%	$144,401	$67,432	$0	$25,333	37.57%
22322	GREENWICH INSURANCE COMPANY	4.44%	$77,402	$82,809	$0	-$71,406	-86.23%
25895	UNITED STATES LIABILITY INSURANCE COM	3.87%	$67,580	$58,098	$0	$21,237	36.55%
39845	WESTPORT INSURANCE CORPORATION	0.32%	$5,565	$5,188	$0	-$852	-16.42%
21970	ONEBEACON INSURANCE COMPANY	0.24%	$4,115	$99,872	$21,925	-$8,923	-8.93%
24767	ST PAUL FIRE & MARINE INSURANCE COMP/	0.00%	$0	$0	$228	-$28,868	N/A
	TOTAL	100.00%	$1,744,452	$1,831,254	$223,776	$258,001	14.09%

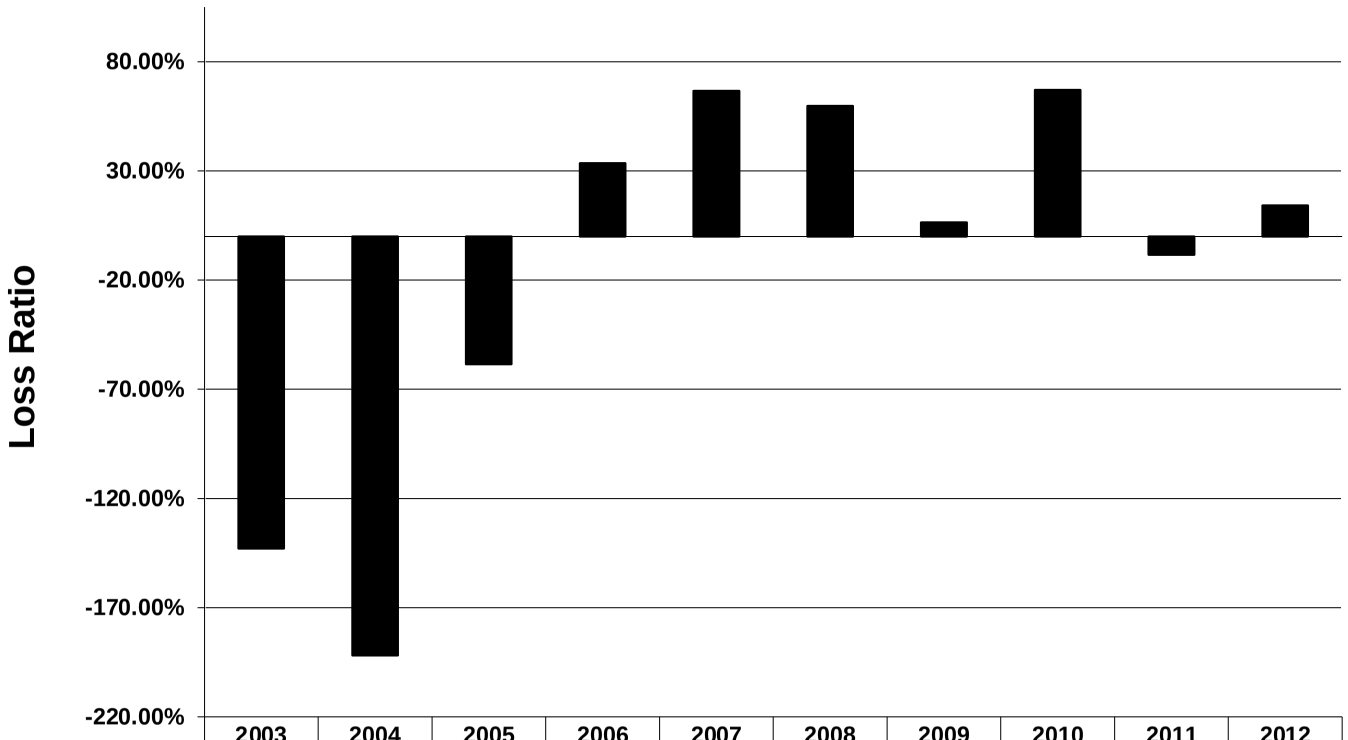
PAGE 19 SUPPLEMENT REAL ESTATE MALPRACTICE EXPERIENCE

TEN YEAR SUMMARY

Year	Direct Written Premium	Direct Earned Premium	Direct Losses Incurred	Direct Defense & Cost Containment Expense Incurred	Loss Ratio	Defense Costs	Losses Plus Defense Costs
2003	$1,502,753	-$545,691	$779,853	$398,228	-142.91%	-72.98%	-215.89%
2004	$2,195,145	-$537,235	$1,030,640	$461,071	-191.84%	-85.82%	-277.66%
2005	-$875,718	-$905,386	$530,005	-$98,836	-58.54%	10.92%	-47.62%
2006	$2,221,705	$2,361,731	$789,714	$740,916	33.44%	31.37%	64.81%
2007	$2,581,948	$1,984,075	$1,322,615	$666,471	66.66%	33.59%	100.25%
2008	$1,857,153	$1,845,056	$1,100,820	$1,086,019	59.66%	58.86%	118.52%
2009	$1,702,926	$1,953,965	$126,327	$723,866	6.47%	37.05%	43.51%
2010	$1,951,021	$1,946,261	$1,305,389	$300,705	67.07%	15.45%	82.52%
2011	$1,540,772	$1,657,601	-$138,365	$1,035,042	-8.35%	62.44%	54.09%
2012	$1,744,452	$1,831,254	$258,001	$744,529	14.09%	40.66%	54.75%
5 Year Average	$8,796,324	$9,234,137	$2,652,172	$3,890,161	28.72%	42.13%	70.85%
10 Year Average	$16,422,157	$11,591,631	$7,104,999	$6,058,011	61.29%	52.26%	113.56%

PAGE 19 SUPPLEMENT
REAL ESTATE MALPRACTICE EXPERIENCE

TEN YEAR LOSS RATIO SUMMARY



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Loss Ratio	-142.91%	-191.84%	-58.54%	33.44%	66.66%	59.66%	6.47%	67.07%	-8.35%	14.09%

Insurance Consumer Hotline

Contact DIFP's Insurance Consumer Hotline
if you have questions about your insurance policy
or to file a complaint against an
insurance company or agent:

difp.mo.gov

800-726-7390

DIFP

Department of Insurance,
Financial Institutions &
Professional Registration

Harry S Truman Building, Room 530
301 W. High St.
PO Box 690
Jefferson City, MO 65102

JULY 2013