

The logo for Seeking Alpha, with the text 'Seeking Alpha' in white and a yellow Greek letter alpha symbol to the right, all on a dark red background.

LandAmerica Financial Group, Inc. Q1 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from Nat Otis - KBW.

Nat Otis - KBW

Could you just maybe provide a little bit more color on the large claims? Were they residential commercial? Were they direct agent? Where did they come in geographically? Any color from that perspective would be helpful.

G. William Evans

The four claims, one of them was agency that came out of Florida. One of them was commercial, that came out of the Pacific Northwest. And two were residential that came out of Southern California. And it was a variety of reason codes, so there is no single pattern in those either.

Nat Otis - KBW

Is there any way to see if those two Southern Cal losses had anything to do with Capital Title?

G. William Evans

They did not come from the Capital Title operations, which have been very much blended in with our overall operations, throughout the organization, anyway.

Nat Otis - KBW

How should we look at losses kind of going forward? I think you were running at about a 6.5% ratio as you started the year, from a reserve standpoint. Just any thoughts on how we should go forward, given the claim activity this quarter?

G. William Evans

We indicated there was no significant additional development other than the large claims. In working with the actuaries at this point, they are taking a conservative view of the 2008 year. We will obviously, as 2008 unfolds, continue to look at what we think the appropriate provision rate for the 2008 policy year is.

Nat Otis - KBW

When they say a more conservative rate, does that mean more conservative than you started the year off at or kind of currently with what the year started at?

G. William Evans

It's more conservative than what they were looking at, I think the 2007 year.

Nat Otis - KBW

It looked like commercial was off a little bit more than expected. At Fidelity it looked like they were down maybe about 10% whereas your directly title commercial business looked to be down a little more than that, in the 20% range. Any color from that standpoint?

Theodore L. Chandler, Jr.

Not really, when you look at just a single quarter of big transactions that fall on either side of a quarter end can make a difference. We feel like our commercial operations continue to be strong. We haven't had any loss in capabilities there, and so from a standpoint of the business we just continue to see that the CMBS market is just functional and that's impacting the entire commercial sector but nothing specific from a competitive perspective.

Copyright © 2008 CNET Networks, Inc. All Rights Reserved.