



J. Allen Fine

**CEO, INVESTORS TITLE CO.
CHAPEL HILL**

Like most businesses tied to real estate, title insurance has taken a hit from the subprime crisis. Not only has demand dropped due to fewer sales, but claims are up, Allen Fine says. During a foreclosure, a lawyer is going to file a claim on any defect he finds in a title. Net income for his company was down 36% to \$8.4 million in 2007 — taking a half-million-dollar hit when some municipal bonds it held were reclassified as taxable didn't help. But considering the downturn, the company had a great year, Fine, 74, says. He thinks the crisis could affect his business in a positive way. Not all lenders require title insurance. That will change, he predicts. Most didn't when he started the company in 1972. Thrifts did most of the lending. "I was convinced that deposits would not continue to support the growing demand for mortgage loans and that mortgage lenders would begin to sell loans in the secondary market." Fine, who taught accounting at Carolina, figured loan purchasers would want some sort of protection. He was right.