

Texas TIPS Online

National Changes and Initiatives

November 16, 2006

George Houghton
Senior Vice President
National Agency Services Director
Stewart Title Guaranty Company

Mission Statement

Enhancing the Real Estate
Transaction Process

Vision Statement

Magnificent Service by Inspired
Professionals

End Result

Magnificent Customer Experience
and Increased Shareholder Value

stewart

We're Working Hard To
Provide You With Industry
Best Solutions and Support
That Fulfill Your Needs and
Exceed Your Expectations

stewart

We Want To Be Your
Favored Strategic Partner

stewart

- We Must Know and Understand Our Customers and the Market;
- We Must Offer Industry Best Solutions;
- We Must Provide Excellent Fulfillment Channels;
- We Must Execute (Train & Deploy!)

stewart

2006 Agency Survey: What is Most Important?

- **Solving Underwriting Problems**
- **Agency Service Managers**
- **Financial Capability**
- **Technology Solutions**

stewart

2006 Stewart Agency Survey

Overall, how satisfied are you with Stewart as a company to do business with?

Very Satisfied	61.0 Percent
<u>Satisfied</u>	<u>34.2 Percent 95.2%</u>
Neutral	2.5 Percent
Dissatisfied	1.6 Percent
Very Dissatisfied	0.7 Percent

stewart

2006 Stewart Agency Survey

Overall, how satisfied are you with the underwriting support you receive from Stewart?

Very Satisfied	68.9 Percent	
<u>Satisfied</u>	<u>24.5 Percent</u>	93.4%
Neutral	4.4 Percent	
Dissatisfied	1.4 Percent	
Very Dissatisfied	0.7 Percent	

stewart

2006 Stewart Agency Survey

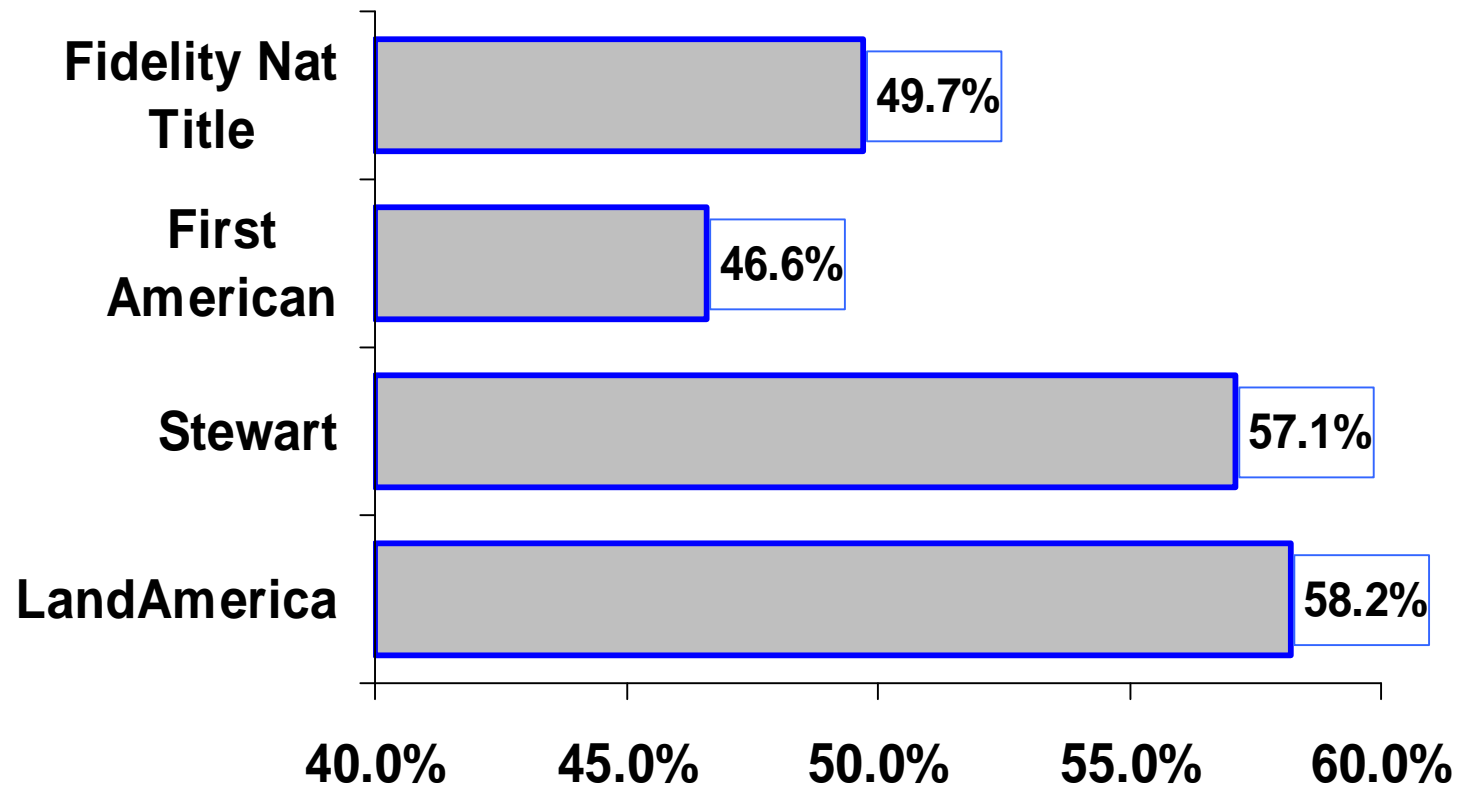
Overall, how satisfied are you with the support you receive from the Stewart Agency Services representative?

Very Satisfied	71.3 Percent	
<u>Satisfied</u>	<u>21.0 Percent</u>	92.3%
Neutral	5.4 Percent	
Dissatisfied	1.3 Percent	
Very Dissatisfied	1.0 Percent	

stewart

Agency Percentage of Title Premiums

Q3 2006



stewart

Stewart Title Guaranty Company National Ratings



- **Demotech, Inc** **A''** *A Double Prime*



- **Fitch Ratings** **A+** *A Plus*

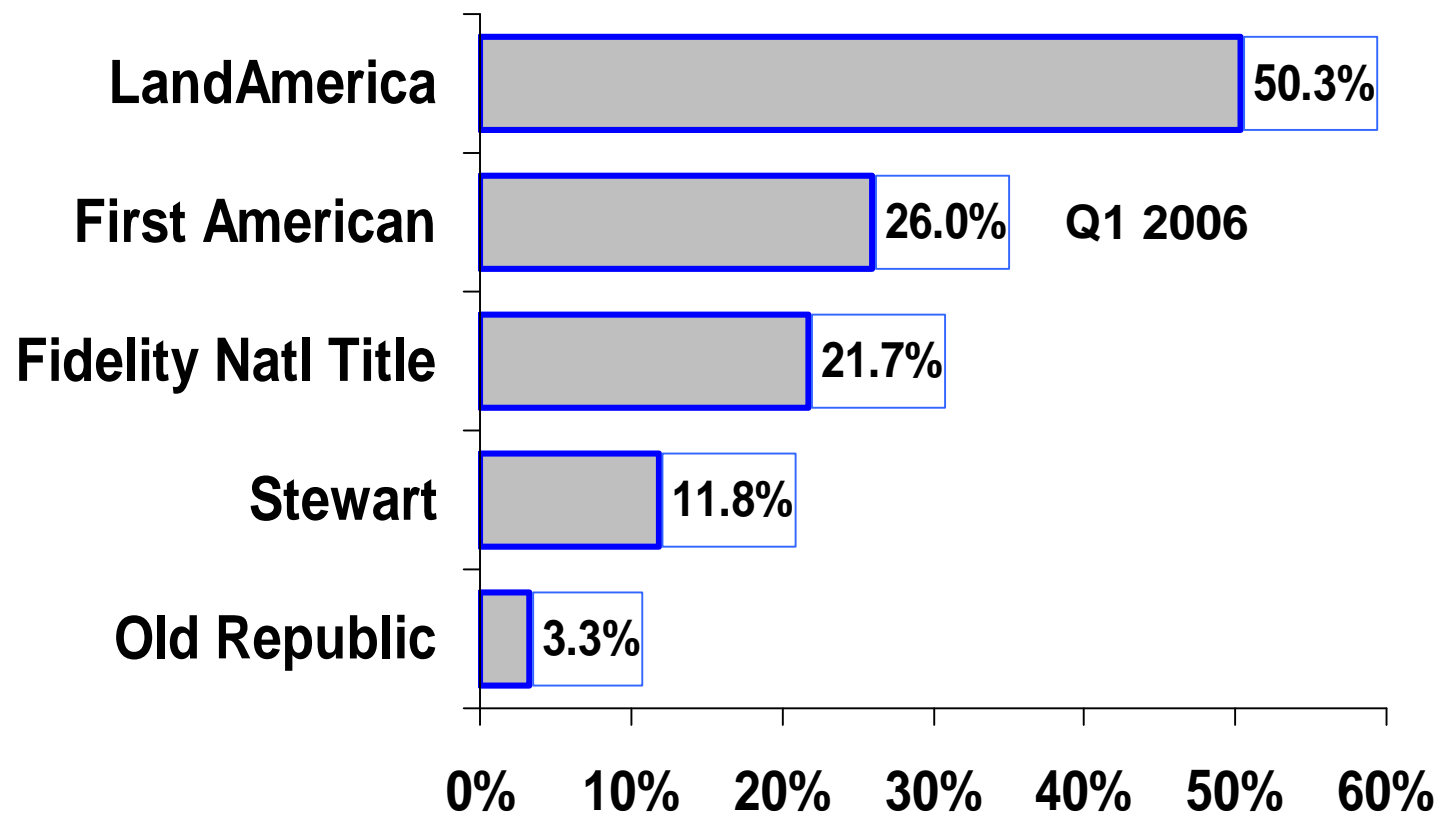


- **LACE Financial** **A**

stewart

Debt as a Percent of Equity

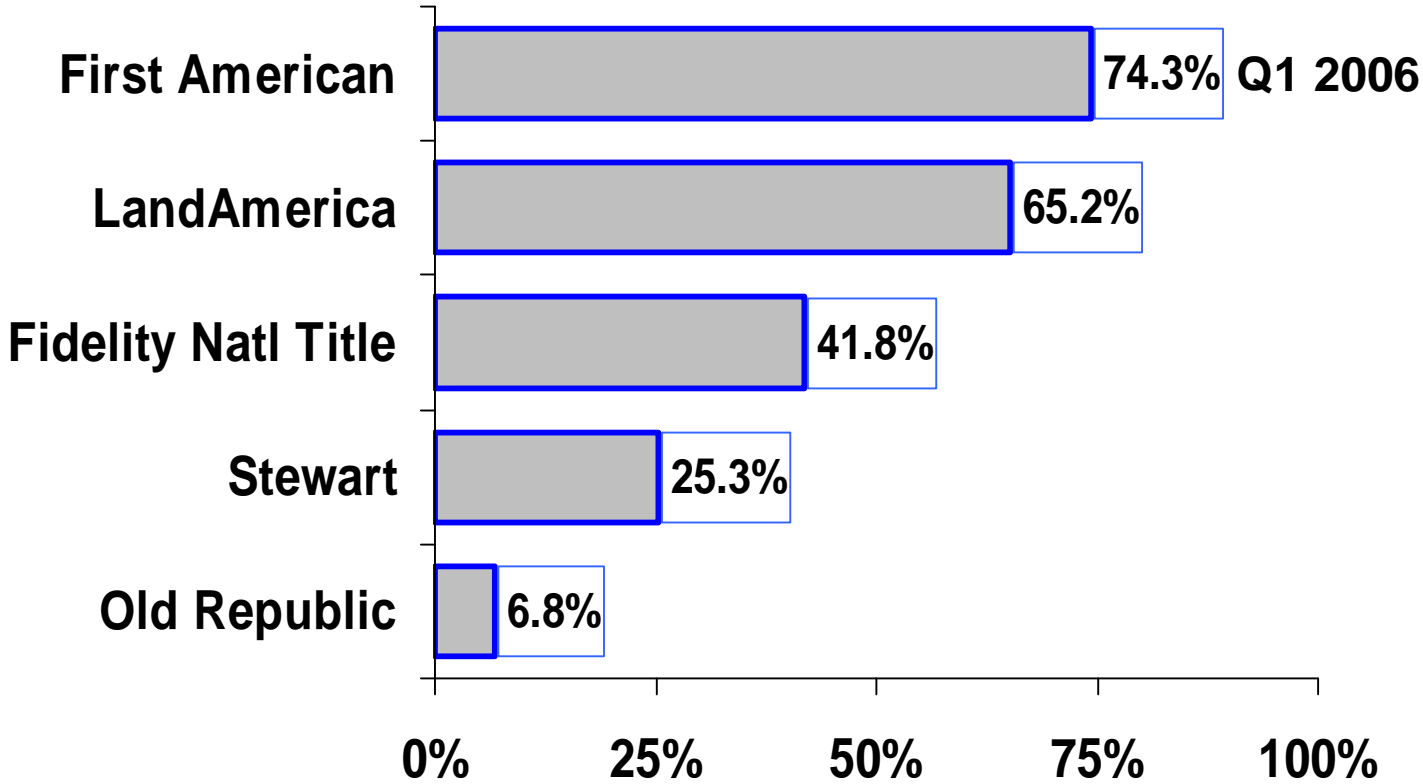
September 30 2006



stewart

Goodwill + Intangibles as a Percent of Equity

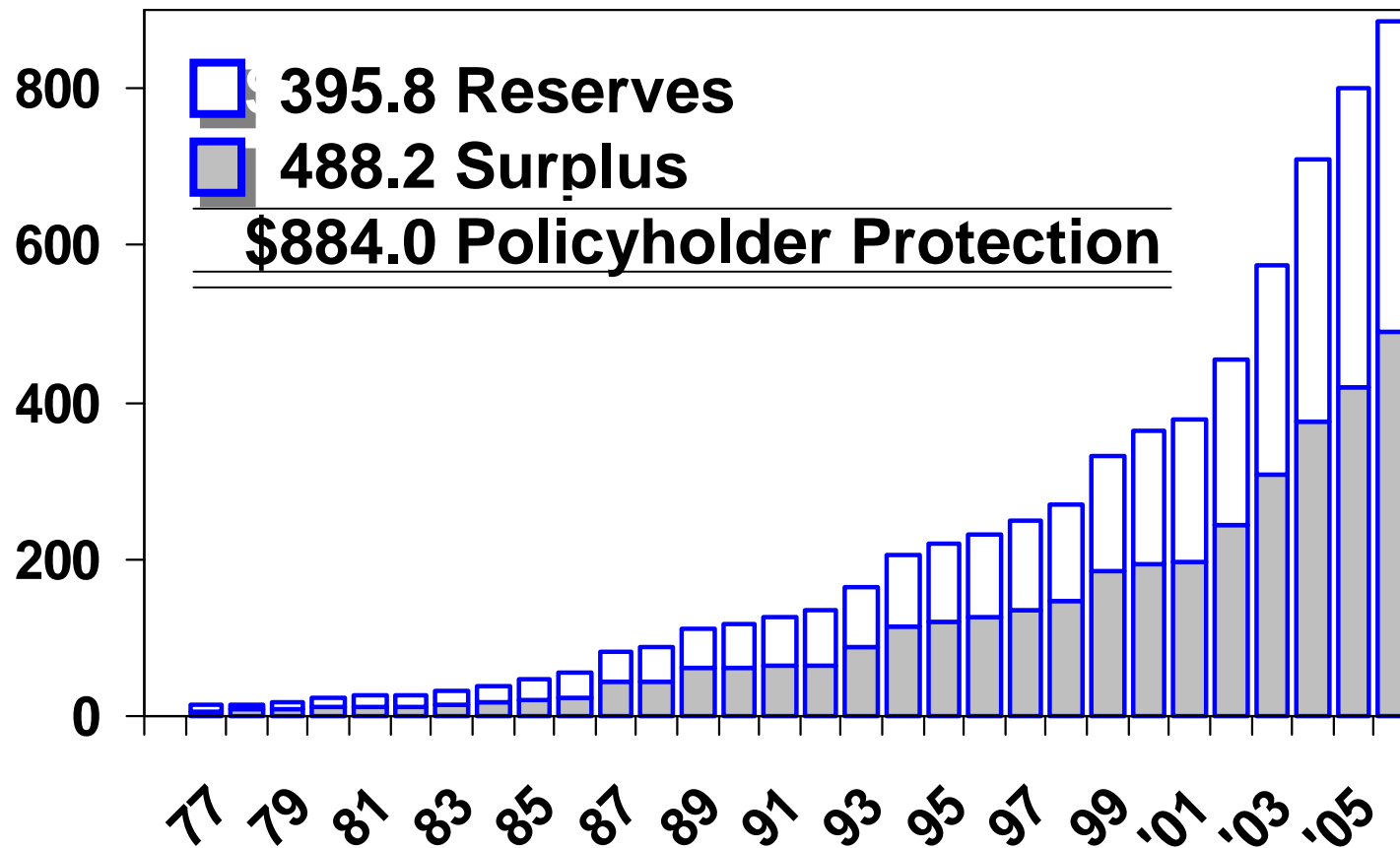
September 30 2006



stewart

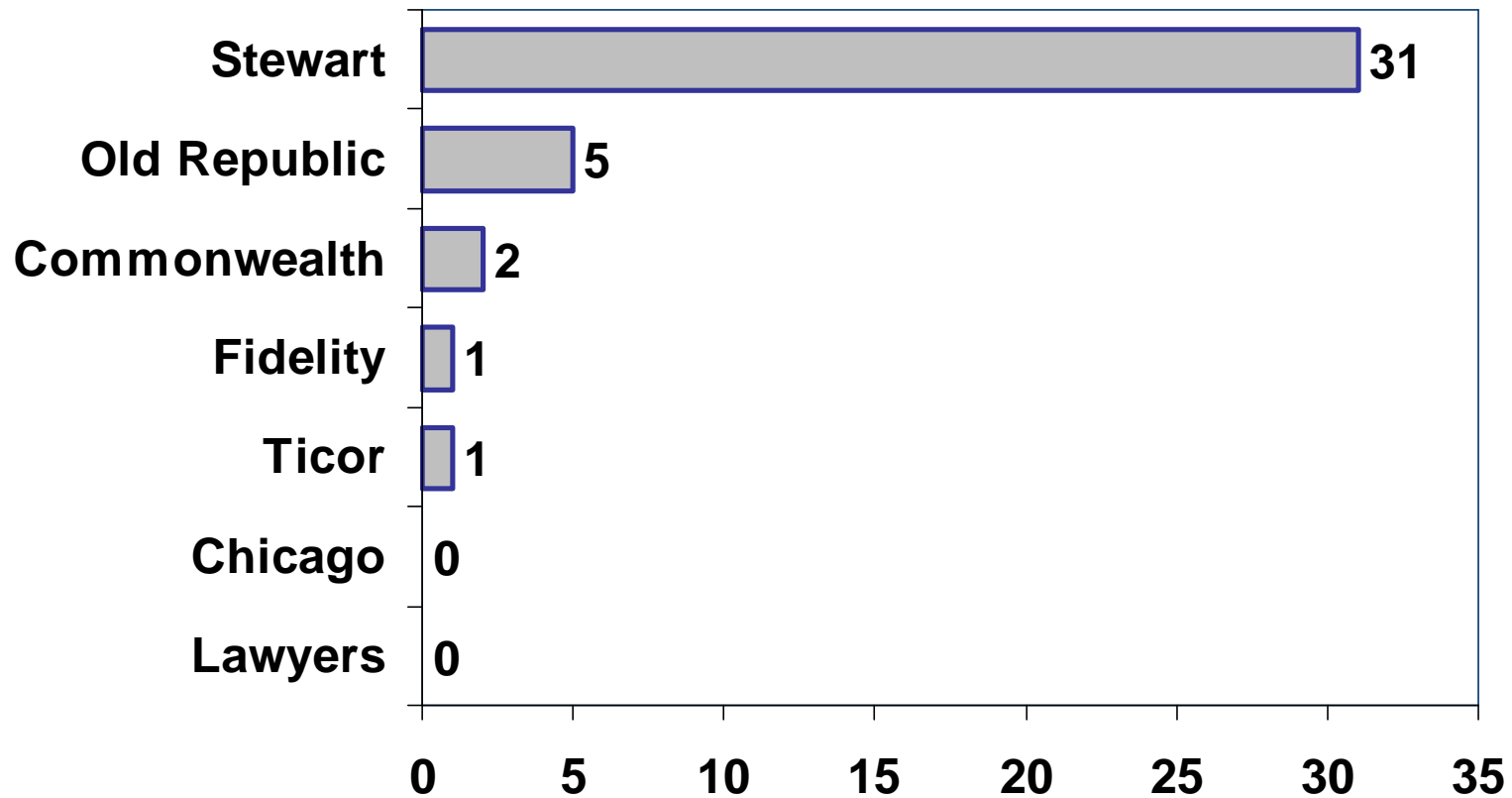
Stewart: Industry Record 31-Years Growth in Both Surplus & Reserves

\$ Millions



stewart

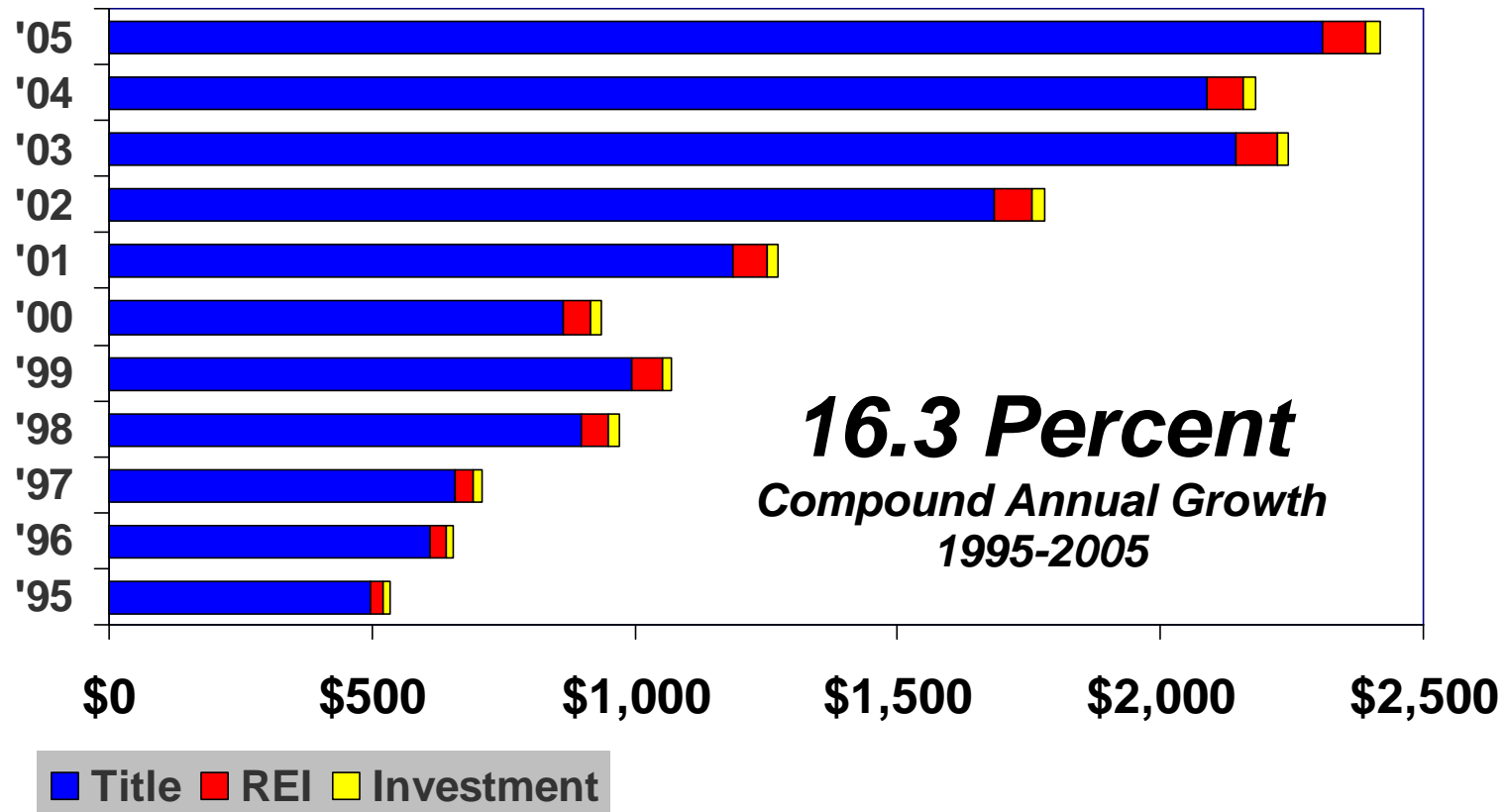
Consecutive Years Growth in Surplus *2005*



stewart

\$2.42 Billion Revenues in 2005

\$ Millions



stewart

Goals & Strategies

- **Associate effectiveness**
- **Customer loyalty**
- **Internal operating efficiency improvement**
- **Market share & revenue growth**
- **Culminating in profit growth**

stewart

Where Stewart Needs Better Ball Control

- **Technology Expenses**
- **Employee Count**
- **Claims from 2003-2005
Refinance Peak**

stewart

Where Stewart Has Gained

- **Almost Tripling the Percent of Commercial Business Since 2000**
- **Addition of Key Industry Professionals**
- **Balance Sheet**
- **Industry-Leading Technology**
- **Multicultural Market Performance**

stewart

Title Insurance Risk Reduction

**One of Every Three
Policies Requires
Curative Action Prior to
Closing to Prevent
Future Claims**

An Essential Industry

stewart

The Simple Numbers of Title Insurance *2005 Numbers*

\$16.6 Billion--Annual Title Industry Premiums

\$880.6 Million--Annual Title Industry loss expense incurred on only 1 out of 1000 policies where not successful in curing title prior to insuring (*estimated*)

359-- Out of every 1000 transactions. 359 Titles are corrected prior to insuring avoiding consumer losses * *ALTA 2006 Study*

\$316.1 Billion--Title Insurance industry's risk elimination process savings to consumers (*359 out of 1000 titles corrected times \$880.6 Million*)

A 18.7 Times Return to the Consumer Just on Claims Avoidance Excluding Any Other Service

stewart









FORTUNE™

AMERICA'S MOST ADMIRED COMPANIES



STC
LISTED
NYSE®

 Russell	 Russell	 Russell	 Russell	 Russell	 Russell
2500™ INDEX	2000® INDEX	3000® VALUE INDEX	2500™ VALUE INDEX	2000® VALUE INDEX	3000® INDEX

stewart

National Initiatives

Stay close to what we know...

- Core - The Real Estate Transaction
 - Underwriting
 - Title and Escrow
 - Real Estate Services

stewart

National Initiatives

- **Initiate a customer segmented national sales strategy supported by operational units to improve the overall customer experience.**
- **Provide magnificent customer experience, additional services and support to title agents to increase revenue by being your favored strategic business partner.**

stewart

Products and Services

- Title Insurance
- Escrow & Settlement
- Online Transaction Management
- Property Profiles
- Home Warranty
- §1031 Tax-deferred Exchanges
- Electronic Mortgage Documents
- Specialty Insurance
- Insured Water Rights
- Land Record Management Systems
- Aerial Image & Satellite Mapping
- eCommerce Solutions
- Title Agent Technology

stewart



Stewart Specialty Insurance



stewart®