

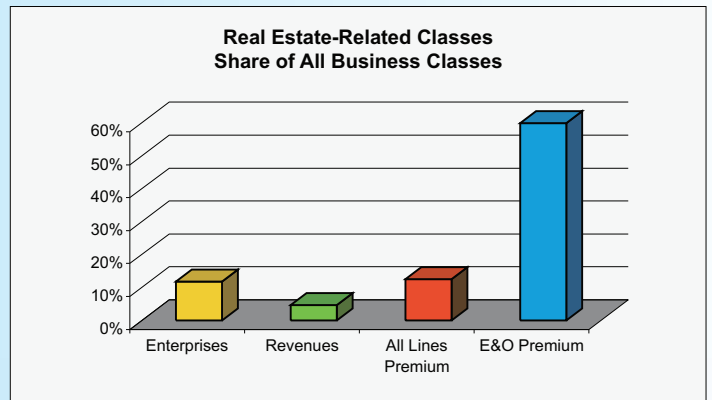
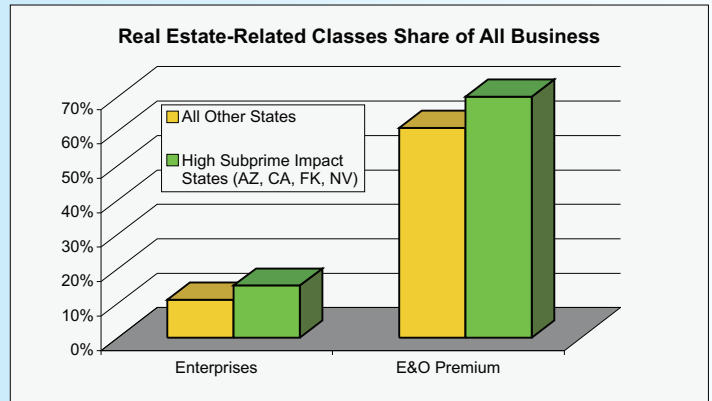
REAL ESTATE-RELATED CLASSES GENERATE 64% OF E&O PREMIUMS

The subprime mortgage crisis continues to have a dramatic impact on the economy, particularly on those classes with real estate exposure. And, not surprisingly, the E&O market for those exposures reflects concerns about possible claims arising from the debacle. Although the real estate-related classes account for only 11.9% of all business enterprises and 4.7% of annual sales, they account for 64.1% of the E&O premiums written, according to data compiled by MarketStance, Middletown, Connecticut.

On a state-by-state basis, the data show that there were five states where the real estate-related classes accounted for more than 70% of E&O premiums written, led by Alabama at 90.5%. The other four are Michigan (82.9%); California (75.5%); Virginia (70.9%); and Massachusetts (70.2%).

Classes considered to be real estate-related with E&O exposure include engineering services; offices of lawyers; lessors of residential and nonresidential properties; architectural services; real estate agents and brokers; property managers, land subdivision; real estate credit; real estate investment trusts; appraisers; loan brokers; and title abstract and settlement offices. In total, the group was comprised of 17 NAICS classes representing 3,444,186 enterprises with sales of \$1.45 billion.

For additional information, contact MarketStance at (888) 777-2587 or e-mail info@marketstance.com. ■



Charts courtesy of MarketStance

