LANDAMERICA FINANCIAL GROUP INC
Form 10-K
March 26, 2003

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF

THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended December 31, 2002

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)

OF THE SECURITIES EXCHANGE ACT OF 1934

COMMISSION FILE NO. 1-13990

LANDAMERICA FINANCIAL GROUP, INC.

(Exact name of registrant as specified in its charter)

Virginia	**54-1589611**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

101 Gateway Centre Parkway

Richmond, Virginia	**23235-5153**
(Address of principal executive offices)	(Zip Code)

(804) 267-8000

(Registrant s telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Securities	Name of Exchange on Which Registered
Common Stock, no par value	**New York Stock Exchange**
Preferred Stock Purchase Rights	**New York Stock Exchange**

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes _X_ No ___

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

Indicate by check mark whether the registrant is an accelerated filer (as defined in Exchange Act Rule 12b-2).

Yes _X_ No ___

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant on June 28, 2002, the last business day of the registrant s most recently completed second fiscal quarter, was approximately $577.1 million based on the closing sale price of the registrant s common stock on that date.

The number of shares of Common Stock, without par value, outstanding on March 18, 2003 was 18,482,092.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the definitive proxy statement for the 2003 Annual Meeting of Shareholders (to be filed) are incorporated by reference into Part III hereof.

PART I

ITEM 1.

BUSINESS

The Company

LandAmerica Financial Group, Inc. (the Company) is a holding company organized under the laws of the Commonwealth of Virginia on June 24, 1991. The Company, through its subsidiaries, is engaged in the business of issuing title insurance policies and performing other real estate-related services for both residential and commercial real estate transactions. As a holding company, the Company has greater flexibility in conducting certain operations, especially with regard to capital transactions, while the operating title insurance subsidiaries remain subject to regulation by the various states. See Regulation below.

The Company has its principal executive offices at 101 Gateway Centre Parkway, Richmond, Virginia 23235-5153, and its telephone number is (804) 267-8000. The Company maintains an internet website at www.landam.com. Shareholders of the Company and the public may access the Company s periodic and current reports (including annual, quarterly and current reports on Form 10-K, Form 10-Q and Form 8-K, respectively, and any amendments to those reports) filed with or furnished to the Securities and Exchange Commission (SEC) pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, through the Financial Info section of the Company s website. The reports are made available on the Company s website as soon as practicable following the filing of such documents with the SEC. The information is free of charge and may be reviewed, downloaded and printed from the website at any time.

Unless the context otherwise requires, the Company, as used herein, refers to the Company and each of its subsidiaries.

Overview of the Company s Operations

Title Insurance. The Company issues title insurance policies through its various title underwriting subsidiaries. The Company s three principal title underwriting subsidiaries are Commonwealth Land Title Insurance Company (Commonwealth), Lawyers Title Insurance Corporation (Lawyers Title) and Transnation Title Insurance Company (Transnation). The Company also owns four other title insurance underwriters, Commonwealth Land Title Insurance

Company of New Jersey, Land Title Insurance Company, Title Insurance Company of America and Transnation Title Insurance Company of New York. The collective operations of these subsidiaries cover the entire United States (with the exception of Iowa, which does not recognize title insurance) and certain territories of the United States and Canada.

In connection with the issuance of title insurance policies, the Company performs title search and examination services and also offers closing protection letters to lenders and owners who purchase title insurance. The Company also furnishes certificates of title and abstracts of title in some states.

Escrow and Closing Services. In addition to the issuance of title insurance policies, the Company provides escrow and closing services to a broad-based customer group that includes lenders, developers, real estate agents, attorneys and home buyers and sellers. In California and a number of western states, it is a general practice, incident to the issuance of title insurance policies, to hold funds and documents in escrow for delivery in real estate transactions upon fulfillment of the conditions to such delivery. In the mid-western states, Florida and some eastern cities, it is customary for the title company to close the transaction and disburse the sale or loan proceeds. Fees for such escrow and closing services are generally separate and distinct from premiums paid for title insurance policies and other real estate-related services.

Real Estate Transaction Management Services. Through its LandAmerica OneStop operation, the Company offers to the national and regional mortgage lending community a full range of integrated residential real estate services and the ability to manage the delivery of those services through a centralized source. LandAmerica OneStop provides these mortgage originators with a single, convenient point of contact through which they may place all of their orders for title insurance and real estate-related services. The transaction management services of LandAmerica OneStop include the coordination and delivery of title insurance, credit reporting, flood certification, property appraisal and valuation, closing and escrow services, real estate tax services, document preparation and property inspections. These services are provided by LandAmerica OneStop, other subsidiaries of the Company or through joint ventures or strategic alliances with third parties.

In 2002, the Company added building and site assessments to its commercial real estate transaction services by the acquisition of National Assessment Corporation. In addition to title and closing services, the recently added building and site assessments, and coordination of national multi-state transactions, the Company s National Commercial Services offices provide appraisals, surveys, Uniform Commercial Code products insuring personal property and tax deferred exchanges through LandAmerica Exchange Company. LandAmerica Exchange Company facilitates property exchanges pursuant to Section 1031 of the Internal Revenue Code generally by holding the sale proceeds from one transaction until a second acquisition occurs, thereby assisting customers in deferring the recognition of taxable income.

Principal Title Underwriting Subsidiaries

Commonwealth. Commonwealth was founded as a title insurance company in 1876 and was incorporated in the Commonwealth of Pennsylvania on April 1, 1944. Commonwealth is licensed by the insurance departments of 49 states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands.

Lawyers Title. Lawyers Title, a Virginia corporation, has been engaged primarily in the title insurance business since 1925. Lawyers Title conducts business in 49 states and in the District of Columbia, the territories of Puerto Rico and the U.S. Virgin Islands, the Bahamas and a number of Canadian provinces.

Transnation. Transnation, an Arizona corporation, is the successor to Transamerica Title Insurance Company, which commenced business on March 26, 1910. Transnation is licensed by the insurance departments of 40 states and the District of Columbia.

Title Insurance and Underwriting

Title Insurance. Title insurance policies are insured statements of the condition of title to real property. Such policies indemnify the insured from losses resulting from certain outstanding liens, encumbrances and other defects in title to real property that appear as matters of public record, and from certain other matters not of public record.

Title insurance is generally accepted as the most efficient means of determining title to, and priority of interests in, real estate in nearly all parts of the United States. Many of the principal customers of title insurance companies buy insurance for the accuracy and reliability of the title search as well as for the indemnity features of the policy. The beneficiaries of title insurance policies are generally owners or buyers of real property or parties who make loans using real property as security. An owner s policy protects the named insured against title defects, liens and encumbrances existing as of the date of the policy and not specifically excluded or excepted from its provisions, while a lender s policy, in addition to the foregoing, insures against the invalidity of the lien of the insured mortgage and insures the priority of the lien as stated in the title policy.

While most other forms of insurance provide for the assumption of risk of loss arising out of unforeseen future events, title insurance serves to protect the policyholder from the risk of loss from events that predate the issuance of the policy. This distinction underlies the low claims loss experience of title insurers as compared to other insurance underwriters. Losses generally result either from judgment errors or mistakes made in the title search and examination process or the escrow process or from hidden defects such as fraud, forgery, incapacity or missing heirs. Operating expenses, on the other hand, are higher for title insurance companies than for other companies in the insurance industry. Most title insurers incur considerable costs relating to the personnel required to process forms, search titles, collect information on specific properties and prepare title insurance commitments and policies.

Underwriting. The Company issues title insurance policies on the basis of a title report, which is prepared pursuant to underwriting guidelines prescribed by the Company, after a search of the public records, maps and documents to ascertain the existence of easements, restrictions, rights of way, conditions, encum−brances, liens or other matters affecting the title to, or use of, real property. In certain instances, a visual inspection of the property is also made. Title examinations may be made by branch employees, agency personnel or approved attorneys, whose reports are utilized by or rendered to a branch or agent and are the basis for the issuance of policies by the Company. In the case of difficult or unusual legal or underwriting issues involving potential title risks, the branch office or agent is instructed to consult with a designated supervising office. The Company s dependent agents require that the agent seek prior approval of the Company in order to commit the Company to assume a risk over a stated dollar limit.

The Company owns a number of title plants and in some areas leases or participates with other title insurance companies or agents in the cooperative operation of such plants. Title plants are compilations of copies of public records, maps and documents that are indexed to specific properties in an area, and they serve to facilitate the preparation of title reports. In many of the larger markets, the title plant and search procedures have been automated. To maintain the value of the title plants, the Company continually updates its records by regularly adding current information from the public records and other sources. In this way, the Company maintains the ability to produce quickly and at a reduced expense a statement of the instruments that constitute the chain of title to a particular property.

Direct and Agency Operations

The Company issues title insurance policies through its direct operations (which include branch offices of its title insurers and wholly owned subsidiary agencies of the Company), partially owned title agencies or through independent title insurance agents. Where the policy is issued through its direct operations, the search is performed by or at the direction of the Company, and the premium is collected and retained by the Company. Where the policy is issued through a title insurance agent, the agent generally performs the search (in some areas searches are performed by approved attorneys), examines the title, collects the premium and retains a portion of the premium. The remainder of the premium is remitted to the Company as compensation for bearing the risk of loss in the event a claim is made under the policy. The percentage of the premium retained by an agent varies from region to region and is sometimes regulated by the states. The Company is obligated to pay title claims in accordance with the terms of its policies, regardless of whether it issues policies through direct operations or independent agents.

The premium for title insurance is due in full when the real estate transaction is closed. Title insurance premium revenues from direct operations are recognized by the Company upon the closing of the transaction, whereas premium revenues from agency operations are recognized by the Company upon receipt of such premiums. Premiums from agents, which generally represent about 55% of operating revenues, are typically remitted to the Company an average of 90 days after the closing of the real estate transaction.

Insured Risk on Policies in Force

The amount of the insured risk or face amount of insurance under a title insurance policy is generally equal to either the purchase price of the property or the amount of the loan secured by the property. The insurer is also responsible for the cost of defending the insured title against covered claims. The insurer s actual exposure at any time is significantly less than the total face amount of policies in force because the risk on an owner s policy is often reduced over time as a result of subsequent transfers of the property and the reissuance of title insurance by other title insurance underwriters, and the coverage of a lender s policy is reduced and eventually terminated as a result of payment of the mortgage loan. Because of these factors, the total liability of a title underwriter on outstanding policies cannot be precisely ascertained.

In the ordinary course of business, the Company s underwriting subsidiaries represent and defend the interests of their insureds, and provide on the Company s consolidated books for estimated losses and loss adjustment expenses. Title insurers are sometimes subject to unusual claims (such as claims of Indian tribes to land formerly inhabited by them) and to claims arising outside the insurance contract, such as for alleged negligence in search, examination or closing, alleged improper claims handling and alleged bad faith. The damages alleged in such claims arising outside the insurance contract may exceed the stated liability limits of the policies involved. While the Company in the ordinary course of its business has been subject from time to time to these types of claims, the Company s losses to date on such claims have not been significant in number or material in dollar amount to the Company s financial condition.

Liabilities for estimated losses and loss adjustment expenses represent the estimated ultimate net cost of all reported and unreported losses incurred through December 31, 2002. The reserves for unpaid losses and loss adjustment expenses are estimated using historical loss and loss development analyses. Title insurance reserve estimates are subject to a significant degree of inherent variability due to the length of time over which claim payments are made and the effects of external factors such as general economic conditions. Although management believes that the reserve for policy and contract claims is reasonable, it is possible that the Company s actual incurred policy and contract claims will not conform to the assumptions inherent in the determination of these reserves. Accordingly, the ultimate settlement of policy and contract claims may vary significantly from the estimates included in the Company s financial statements. Management believes that the reserves for losses and loss adjustment expenses are adequate. The estimates are continually reviewed and adjusted as necessary as experience develops or new information becomes known; such adjustments are included in current operations.

The Company generally pays losses in cash; however, it sometimes settles claims by purchasing the interest of the insured in the real property or the interest of the claimant adverse to the insured. Assets acquired in this manner are carried at the lower of cost or estimated realizable value, net of any indebtedness thereon.

Standard & Poors Corporation (S&P) has assigned a financial strength rating of A- to the title insurance operations of the Company. According to S&P, an insurer rated A has strong financial security characteristics, but is somewhat more likely to be affected by adverse business conditions than are insurers with higher ratings, and the minus (-) rating indicates relative standing within the A category. S&P assigns a ratings outlook along with its letter ratings to indicate its expectations of trends that relate to the financial strength rating for the rated company. The ratings outlook assigned by S&P may be either positive, stable or negative. According to S&P, the ratings outlook for the Company is negative. Fitch, Inc. (Fitch) has assigned an A rating to the financial strength of the Company. According to Fitch, an A rating is assigned to those companies that possess strong capacity to meet policyholder and contract obligations, where risk factors are moderate and the impact of any adverse business and economic factors is expected to be small. Fitch also assigns a ratings outlook along with its letter ratings to indicate its expectations of trends that relate to the financial strength rating for the rated company. The ratings outlook assigned by Fitch may be either positive, stable or negative. According to Fitch, the ratings outlook for the Company is negative. The S&P Fitch ratings are not designed for the protection of investors and do not constitute recommendations to buy, sell or hold any security.

The Company places a high priority on maintaining effective quality assurance and claims administration programs. The Company s quality assurance program focuses on quality control, claims prevention and product risk assessment for its independent agencies. The claims administration program focuses on improving liability analysis, prompt, fair and effective handling of claims, early evaluation of settlement or litigation with first and third-party claimants and appropriate use of ADR (Alternative Dispute Resolution) in claims processing. In addition, to reduce the incidence of agency defalcations, the Company has established due diligence requirements in connection with the appointment of new agents, procedures for renewing existing agents and an Agency Audit Program. The Company continues to refine its systems for maintaining effective quality assurance and claims administration programs.

Reinsurance and Coinsurance

The Company distributes large title insurance risks through the mechanisms of reinsurance and coinsurance. In reinsurance agreements, the reinsurer accepts that part of the risk the primary insurer (the ceding company or ceder) decides not to retain in consideration for a portion of the premium. A number of factors may enter into a company s decision to reinsure, including retention limits imposed by state law, customer demands and the risk retention philosophy of the company. The ceder, however, remains liable to the insured for the total risk, whether or not the reinsurer meets its obligation. The Company may reinsure from among its own title insurance subsidiaries or may reinsure with unaffiliated reinsurers. As a general rule, when the Company purchases reinsurance on a particular commercial risk from unaffiliated reinsurers, it will generally retain a primary risk of $5.0 million and may participate with such reinsurers on liability amounts in excess of that amount as a secondary risk. Reinsurance is generally purchased from unaffiliated reinsurers if the risk on a single transaction is greater than $300.0 million.

The Company s title insurance subsidiaries assume reinsurance from unaffiliated title insurance underwriters pursuant to a standard reinsurance agreement concerning specific title insurance risks for properties on which they assume a portion of the liability. The Company s title insurance subsidiaries have entered into numerous reinsurance agreements with other title insurance underwriters on specific transactions. The Company s exposure on all reinsurance assumed is reduced due to the ceding company s retention of a substantial amount of primary risk. In addition, exposure under these agreements generally ceases upon a transfer of the insured properties and, with respect to insured loans, is decreased by reductions in mortgage loan balances. Because of this, the actual exposure is much less than the total reinsurance the Company has assumed. The Company provides loss reserves on assumed reinsurance business on a basis consistent with reserves for direct business.

The Company utilizes coinsurance to enable it to provide coverage in amounts greater than it would be willing or able to undertake individually. In coinsurance transactions, each individual underwriting company issues a separate policy and assumes a portion of the overall total risk. Each coinsurer is liable only for the particular portion of the risk it assumes.

The Company s title insurance subsidiaries enter into reinsurance and coinsurance arrangements with most of the larger participants in the title insurance market and such arrangements are not materially concentrated with any single title insurance company. Revenues and claims from reinsurance are not material to the Company s business as a whole.

The Company maintains excess of loss catastrophic insurance through Lloyd s of London and Ace Capital Title Reinsurance Company totaling $200.0 million. The Lloyd s policy provides fidelity and title loss coverage up to $100.0 million with a $20.0 million deductible for title losses and a lesser deductible for other losses. The Ace policy covers an additional $100.0 million in title exposure for any covered loss that exceeds $100.0 million.

Title Insurance Revenues

The table below sets forth, for the years ended December 31, 2002, 2001 and 2000, the approximate dollars and percentages of the Company s revenues for the ten states representing the largest percentages of such revenues and for all other states combined:

Revenues by State

(Dollars in thousands)

	Years Ended December 31,					
	2002		2001		2000	
Texas	$ 342,510	13.5%	$ 303,803	14.3%	$ 277,547	15.8%
California	333,727	13.2%	263,558	12.4%	195,016	11.1%
Pennsylvania	182,461	7.2%	132,721	6.3%	117,131	6.7%
Florida	164,719	6.5%	142,948	6.7%	136,976	7.8%
Michigan	155,437	6.1%	129,768	6.1%	96,688	5.5%
New York	146,183	5.8%	109,650	5.2%	98,041	5.6%
New Jersey	90,056	3.6%	73,907	3.5%	74,620	4.3%
Colorado	85,728	3.4%	82,752	3.9%	48,357	2.8%
Arizona	83,086	3.3%	67,361	3.2%	52,759	3.0%
Virginia	76,562	3.0%	78,146	3.7%	56,290	3.2%
Other	831,487	32.8%	670,917	31.7%	553,060	31.6%
Total Title Revenues	2,491,956	98.4%	2,055,531	97.0%	1,706,485	97.4%
Non-Title Revenues	41,588	1.6%	63,943	3.0%	44,785	2.6%
Total Revenues	$ 2,533,544	100.0%	$ 2,119,474	100.0%	$ 1,751,270	100.0%

Sales and Marketing

The Title Insurance Market. For sales and marketing purposes, the Company generally views residential real estate activities and commercial real estate activities as two distinct sources of title insurance business. Residential real estate business results from the construction, sale, resale and refinancing of residential properties, while commercial real estate business results from similar activities with respect to properties with a business or commercial use. The Company has emphasized the development of its residential real estate business over the last decade, while maintaining a leadership position in insuring commercial real estate transactions. Although precise data is not available to compare the percentage of total premium revenues of the Company derived from commercial versus residential real estate activities, approximately 85% of such revenues in 2002 resulted from policies providing coverage of $1.0 million or less (which tend to be residential) and approximately 15% of such revenues resulted from policies providing coverage in excess of $1.0 million.

Residential Transactions. The Company s primary source of residential business is from the local real estate community, such as attorneys, real estate brokers and developers, financial institutions, mortgage brokers and independent escrow agents. Maintenance and expansion of these referral sources is integral to the Company s marketing strategy for local residential business. Because most of the Company s residential business arises from these local relationships, the Company is committed to enhancing its service offerings to these customers, primarily by developing services and products beyond traditional title insurance and closing services that provide a more complete solution to their residential real estate transaction needs. The coordination of multiple products and services required by a real estate transaction, a service provided by LandAmerica OneStop, is known as transaction management. The Company serves the residential market through two major distribution channels: direct company owned offices and independent title insurance agents. The Company continues to develop services and products for each channel designed to make the real estate transaction easier for both the Company s customers and the end consumer. The Company has developed specific strategies aimed at serving customers in each channel and has several pilot projects to implement these strategies.

The Company has continued to expand its national affiliated agency relationships that include builders, realtors, lenders and vendor managers. Often these relationships attract residential transactions on a regional or statewide basis. The Company believes this type of relationship between the Company and its customers will continue to increase and has dedicated resources to further develop these relationships.

Commercial Transactions. The Company is one of the leading providers of title insurance for commercial transactions. The Company s National Commercial Services (NCS) division specializes in the sale and servicing of title insurance for complex commercial and multi-property transactions. The Company has NCS offices in 19 strategic metropolitan areas in the United States. Each NCS office markets title insurance products, appraisals, building and site assessments, surveys and related services to large commercial customers located in its sales territory and acts as a single point of contact for the customer s title insurance needs throughout the country. The Company also markets title insurance for commercial transactions through local direct operations and independent agents.

In addition, the Company is one of the most strongly capitalized title insurers in the industry, with an aggregate statutory surplus of $545.3 million as of December 31, 2002. The financial strength of the Company is an important factor in marketing the Company s commercial title business capabilities, enabling it to underwrite larger title policies and retain higher levels of risk without purchasing reinsurance from a third party. The Company s capital position supports financial strength ratings of A- from Standard & Poors and A from Fitch. These ratings are important in competing for commercial title insurance business. See Insured Risk on Policies in Force above.

Marketing Strategy. The Company has begun a transition from title insurance product delivery to real estate transaction solution provider. This strategy entails becoming more of a single source provider of market specific products and services. In addition, the Company initiated and continues to expand a branding process to identify all operations of the Company under the LandAmerica brand. Each of the Company s title insurance companies, as well as each new product and service offering will be identified as being a part of the LandAmerica family of companies. This initiative began in the latter half of 2002 and will continue throughout 2003.

Customers

As of December 31, 2002, no single independent agent was responsible for more than 5% of the Company s title insurance revenues. In addition, the Company is not dependent upon any single customer or any single group of customers. The loss of any one customer would not have a material adverse effect on the Company.

Competition

The business of providing real estate transaction services is very competitive. Competition for residential title insurance business is based primarily on service and, to a lesser extent, price. Service quality is based upon a number of factors, including the ability to respond quickly and accurately to customers and technological capabilities (resulting in the delivery of a readily accessible, efficient and reliable product). With respect to national and regional mortgage lenders, service quality includes a large distribution network and the ability to deliver a broad array of real estate services quickly, efficiently and through a single point of contact. Competition for commercial title business is based primarily on price, service, expertise in complex transactions and the size and financial strength of the insurer. Title insurance underwriters also compete for agents on the basis of service and commission levels. For each of these customer groups, the Company has increased its emphasis on service levels and the variety of services and products it provides.

The Company is one of the largest title insurance underwriters in the United States based on title premium revenues. Its principal competitors are other major title insurance underwriters and their agency networks. The Company s principal competitors during 2002 were Fidelity National Financial, Inc., Old Republic International Corporation, Stewart Information Services, Inc. and The First American Corporation. Of the more than one hundred title insurance underwriting companies licensed in the United States, the top five companies (consisting of the Company and its four principal competitors) accounted for approximately 88.3% of the title insurance market in 2001 based on public filings made by those companies.

The Company s title insurance subsidiaries are subject to regulation by the insurance authorities of the states in which they do business. See Regulation. Within this regulatory framework, the Company competes with respect to premium rates, coverage, risk evaluation, service and business development.

State regulatory authorities impose underwriting limits on title insurers based primarily on levels of available capital and surplus. The Company has underwriting limits that are comparable to its four principal competitors. While such limits may theoretically hinder the Company s title insurance subsidiaries assumption of a particular large underwriting liability, in practice the Company has established its own internal risk limits at levels substantially lower than those allowed by state law. In addition, the Company may spread the risk of a large underwriting liability over its three principal title underwriting subsidiaries. Therefore, statutory capital-based risk limits are not considered by the Company to be a significant factor in the amount or size of underwriting it may undertake.

Regulation

The title insurance business is regulated by state regulatory authorities who possess broad powers relating to the granting and revoking of licenses, and the type and amount of investments which the Company s title insurance subsidiaries may make. These state authorities also regulate insurance rates, forms of policies, claims handling procedures and the form and content of required annual statements, and have the power to audit and examine the financial and other records of these companies. Some states require title insurers to own or lease title plants. A substantial portion of the assets of the Company s title underwriting subsidiaries consists of their portfolios of investment securities. Each of these subsidiaries is required by the laws of its state of domicile to maintain assets of a statutorily defined quality and amount. See Investment Policies below. Under state laws, certain levels of capital and surplus must be maintained and certain amounts of portfolio securities must be segregated or deposited with appropriate state officials. State regulatory policies also restrict the amount of dividends which insurance companies may pay without prior regulatory approval. Generally, all of the title underwriters that meet certain financial thresholds are required to engage independent auditors to audit their statutory basis financial statements which, along with the auditor s report, must be filed with the state insurance regulators.

The National Association of Insurance Commissioners (the NAIC) has adopted model legislation which if enacted would regulate title insurers and agents nationally and would change certain statutory reporting requirements. The proposed legislation also would require title insurers to audit agents periodically and require licensed agents to maintain professional liability insurance. A number of states have adopted legislation similar to some of the provisions contained in the NAIC model legislation. The Company cannot predict whether all or any portion of the proposed legislation or any similar legislation will be adopted in any other states. Also, the NAIC has adopted an instruction requiring an annual certification of reserve adequacy by a qualified actuary. Because all of the states in which the Company s title insurance subsidiaries are domiciled require adherence to NAIC filing procedures, each such subsidiary, unless it qualifies for an exemption, must file an actuarial opinion with respect to the adequacy of its reserves.

Many state insurance regulatory laws intended primarily for the protection of policyholders contain provisions that require advance approval by state agencies of any change in control of an insurance company or insurance holding company that is domiciled (or, in some cases, doing business) in that state. Under such current laws, any future transaction that would constitute a change in control of the Company would generally require approval by the state insurance departments of Arizona, California, New Jersey, New York, Pennsylvania, Tennessee, Texas, and Virginia. Such a requirement could have the effect of delaying or preventing certain transactions affecting the control of the Company or the ownership of the Company s Common Stock, including transactions that could be advantageous to the shareholders of the Company.

Investment Policies

The Company earns investment income from its portfolio consisting primarily of fixed-maturity debt securities issued principally by corporations and United States, state and local jurisdictions, as well as by United States government agencies. Virtually this entire portfolio is located in the Company s title underwriting subsidiaries. At December 31, 2002, approximately 98% of the Company s investment portfolio consisted of investment grade securities. Under the Company s investment guidelines, up to 20% of the investment portfolio may be invested in non-fixed maturity debt securities. The Company s portfolio is managed to comply with the various state regulatory requirements while maximizing net after-tax yield. The Company generally does not invest in common stock issued by unaffiliated entities other than a 2% allocation to REIT securities. The investment portfolio is managed by professional investment advisors under guidelines that govern the types of permissible investments, investment quality, maturity, duration, and concentration of issuer. These guidelines, and the Company s investment strategies, are established and periodically re-examined by the Investment Funds Committee of the Company s Board of Directors. This Committee also reviews the performance of the investment advisors on a quarterly basis. See Note 3 to the Consolidated Financial Statements.

Cyclicality and Seasonality

The title insurance business is closely related to the overall level of residential and commercial real estate activity, which is generally affected by the relative strength or weakness of the United States economy. In addition, title insurance volumes fluctuate based on the effect changes in interest rates have on the level of real estate activity. Economic downturns, or periods of increasing interest rates, usually have an adverse impact on real estate activity and therefore premium and fee revenues. In contrast, real estate activity usually increases when interest rates fall.

Historically, residential real estate activity has been generally slower in the winter, when fewer families buy or sell homes, with increased volumes in the spring and summer. Residential refinancing activity is generally more uniform throughout the seasons, but is subject to interest rate variability. The Company typically reports its lowest revenues in the first quarter, with revenues increasing into the second quarter and through the third quarter. The fourth quarter customarily may be as strong as the third quarter, depending on the level of activity in the commercial real estate market. In 2002 the Company and the title insurance industry benefited from the lowest interest rates in the last 40 years.

Employees

As of December 31, 2002, the Company had 9,194 full time and 848 part time employees. The Company s relationship with its employees is good. Except for nine employees in Pittsburgh, Pennsylvania, no employees of the Company are covered by any collective bargaining agreements, and the Company is not aware of any union organizing activity relating to its employees.

Environmental Matters

Title insurance policies specifically exclude any liability for environmental risks or contamination. Policies issued before 1984, while not specifically addressing environmental risks, are not considered to provide any coverage for such matters, and the Company has not experienced and does not expect any significant expenses related to environmental claims.

The Company, through its subsidiaries, sometimes acts as a temporary title holder to real estate under a nominee holding agreement and sometimes participates in title holding agreements involving tax-deferred exchanges. The Company s customers in such situations generally are financially strong entities from whom it secures indemnification for potential environmental and other claims. In other situations where the Company might acquire title to real estate, it will generally require that an appropriate environmental assessment be made to evaluate and avoid any potential liability.

Business Strategy

The Company s long term objective is to enhance its position as a premier, national provider and manager of integrated real estate transaction products and services and to maximize its profitability throughout the real estate market cycle. To accomplish this objective, the Company is pursuing various business strategies designed to broaden its market position and provide the framework to enhance growth and maximize profitability.

Increasing Focus on Real Estate Transaction Management Services. Throughout the Company s customer base, there is an increased demand for centralized transaction management solutions. This trend is particularly evident in the case of national mortgage originators. These large national mortgage lenders increasingly expect that necessary services related to the mortgage financing process be available from and billed by a single source. Each lender also seeks a quick and efficient response to avoid the loss of business to a competitor. As a transaction manager offering the coordination and delivery of a broad range of real estate-related services, LandAmerica OneStop responds to this market need by providing national mortgage originators with a single, convenient point of contact through which they may place all of their orders for title insurance and real estate-related services. The Company believes that LandAmerica OneStop s transaction management services coupled with its technology-enhanced national distribution system enabled it to increase the speed and efficiency of real estate transactions. In addition, LandAmerica OneStop continues to be increasingly important in attracting and retaining the business of large national mortgage lenders as well as other multi-state transaction originators.

Expanding Distribution Capabilities. The Company seeks to increase its share of the title insurance market by expanding and enhancing its distribution channels through the hiring and retention of experienced industry professionals with strong local relationships, the opening of new direct offices in markets with the potential for significant transaction volume, acquisitions and selectively engaging in joint ventures with title insurance agencies in order to strengthen the Company s presence in particularly attractive markets. In the case of the acquisition of agencies or small to medium-size underwriters, the Company reviews the agency s or underwriter s profitability, location, growth potential in its existing market, claims experience and, in the case of an underwriter, the adequacy of its reserves.

Providing High Quality Service. High quality service, traditionally defined as the prompt and accurate production and delivery of products and services, remains a critical competitive factor in developing successful long-term relationships with customers. In addition to these traditional service attributes, all customer groups are increasingly attracted to service providers able to offer complete solutions to customer real estate transaction needs. For this reason, the Company continues to enhance its transaction management services and product offerings.

Maintaining Commercial Real Estate Market Strength. Participation in the commercial real estate market is attractive since the operating margins are generally better than those provided in residential real estate transactions. In addition, commercial business partially offsets some of the cyclicality of the residential real estate market, where transaction volumes are more susceptible to changes in interest rates. The Company maintains its presence in the commercial real estate market primarily due to the financial strength ratings of its underwriting subsidiaries, its strong capital position, the high quality service that it provides and its expertise in handling complex transactions. In particular, the combined capital position of the Company s three principal underwriting subsidiaries enables it to underwrite large commercial policies while purchasing less reinsurance, thus increasingprofitability.

Reducing Costs and Expenses. Through cost control, the Company achieves economies of scale in its core title insurance related operations as losses resulting from claims under title insurance policies represent a relatively small part of the Company s overall costs. The Company has implemented the following plans to further improve efficiency:

Service Center Expansion. Operating costs, the largest portion of expenses relating to providing title insurance, are relatively high compared to other types of insurers. In fifteen major markets, the Company has implemented the concept of Service Centers, in which its three principal operating subsidiaries share a single back office processing center in a geographic region while continuing to market from separate storefronts under different brand names. This concept has reduced the Company s cost per order in those markets. Service Centers are now in place in Chicago, Dallas, Denver, Detroit, Ft.

Lauderdale, Houston, Los Angeles, Orlando, Philadelphia, Phoenix, Portland, Salt Lake City, San Francisco, Seattle and Tampa.

Workflow Process Redesign. The Company is committed to the redesign of traditional workflow processes. In an effort to reduce expenses and improve service, the Company has several pilot projects underway to automate title production and workflow in its Service Centers. The Company provides escrow support from several centralized locations increasing service levels and improving efficiency.

Using Technology. In 2002, the Company began providing internet-based order processing, status tracking and document delivery to its local residential customers in Colorado, Michigan, Texas and Virginia through the Residential Connection. The Company also introduced the Commercial Connection for commercial customers in Florida, Virginia and Washington in 2002. The Company plans to continue to roll out this web-based technology in 2003. In addition, the Company provides TitleWave®, an online data system for ordering and retrieving title information, to agents in several eastern markets, including Alabama, Florida, Ohio, Pennsylvania, Tennessee and Virginia, enabling agents to order title searches and receive title reports online. These technology interfaces speed up transactions and create efficiencies for both the Company and its customers.

Enhancing Cost Control Flexibility. The Company manages its personnel expenses to reflect changes in the level of activity in the real estate market. As a result, the Company s employee base expands and contracts over time. In order to manage personnel costs more efficiently throughout the real estate cycle, the Company uses temporary or part time employees where appropriate to staff operations so the Company can respond promptly to changes in real estate activity.

ITEM 2.

PROPERTIES

The Company owns an office building and adjacent real estate in Richmond, Virginia that it uses for its corporate headquarters. This property consists of approximately 128,000 square feet of office space and parking facilities. The Company s title insurance subsidiaries conduct their business operations primarily in leased office space. As of December 31, 2002, the Company had numerous leases for its branch offices and subsidiaries throughout the states in which it operates. In addition, it owns several other properties that in the aggregate are not material to its business taken as a whole.

The Company s title plants constitute a principal asset. Title plants consist of copies of public records, maps, documents, previous reports and policies indexed to specific properties in an area. The title plants are generally located at the office which serves a particular locality or in service centers serving multiple localities in major metropolitan areas. They enable title personnel to examine title matters relating to a specific parcel of real property as reflected in the title plant, and eliminate or reduce the need for a separate search of the public records. They contain material dating back a number of years and are kept current on a daily or other frequent basis by the addition of copies of documents filed of record which affect real property. The Company maintains title plants covering many of the areas in which it operates, although certain offices utilize title plants jointly owned and maintained with other title insurers. The Company capitalizes only the initial cost of title plants. The cost of maintaining such plants is charged to expense as incurred.

The title plants and title examination procedures have been automated and computerized to a large extent in many areas. To protect against casualty loss, the Company s offices maintain duplicate files and backups of all title plants.

On February 23, 1998, the Company entered into an Agreement Containing Consent Order (the Consent Order) with the Federal Trade Commission (the FTC) in connection with the acquisition of Commonwealth and Transnation. The Consent Order required, and the Company completed, the divestiture of certain title plants in 12 localities named in the Consent Order. Seven of such localities were in Florida, three were in Michigan, and one each was in Washington, D.C. and St. Louis, Missouri. Pursuant to the terms of the Consent Order, the Company may not acquire, without prior notice to the FTC, any interest in a title plant in any of the named localities for a period of 10 years following the date of the Consent Order.

The Company believes that its properties are maintained in good operating condition and are suitable and adequate for its purposes.

ITEM 3. LEGAL PROCEEDINGS

General

The Company and its subsidiaries are involved in certain litigation arising in the ordinary course of their businesses. Although the ultimate outcome of these matters cannot be ascertained at this time, and the results of legal proceedings cannot be predicted with certainty, the Company believes, based on current knowledge, that the resolution of these matters will not have a material adverse effect on the Company s financial position or results of operations.

Litigation Not in the Ordinary Course of Business

On October 7, 2002, the People of the State of California filed an action (the Attorney General Suit) in the Sacramento Superior Court against the Company and its subsidiaries, Lawyers Title Insurance Corporation, Commonwealth Land Title Insurance Company, Commonwealth Land Title Company and Lawyers Title Company (Case No. 02AS06111) (collectively, the Defendants) alleging that the Defendants (i) failed to escheat unclaimed property to the Controller of the State of California on a timely basis, (ii) charged California home buyers and other escrow customers fees for services which were never performed, or which cost less than the amount charged, and (iii) devised and carried out schemes with financial institutions to receive interest, or monies in lieu of interest, on escrow funds deposited by the

Defendants with financial institutions in demand deposits. A final judgment was entered against the Defendants on October 8, 2002, pursuant to a settlement agreement with the Attorney General of the State of California and the District Attorney and City Attorney of the City and County of San Francisco. The final judgment provides for (i) injunctive relief, (ii) aggregate cash payments and future discounts to eligible customers of up to $8 million and (iii) a cash payment of $1.6 million for penalties, attorneys fees, costs and *cy-pres* restitution. The Company made the $1.6 million cash payment and has accrued its best estimates of the aggregate cash payments. Discounts on future escrow and title services will be treated as reductions of revenue during the period in which they occur. However, the final judgment is subject to the verification of information provided by the Defendants during settlement negotiations and at this time, no estimate can be made of additional amounts, if any, that may be payable by the Defendants upon the completion of the verification process.

On or about June 16, 2000, Norman E. Taylor, Connie S. Taylor, Lynne Thompson Jones-Brittle, Colin R. Callaghan and Miriam J. Callaghan (collectively, the Plaintiffs) filed a putative class action suit (the Taylor Suit) in the Superior Court of Los Angeles, California (Case No. BC 231917) against the Company, Commonwealth Land Title Insurance Company, Commonwealth Land Title Company, Lawyers Title Insurance Corporation and Lawyers Title Company (collectively, the Defendants). The Plaintiffs purport to represent the general public and a class defined in the Third Amended Complaint dated March 20, 2002 (the Third Amended Complaint) as [a]ll persons or entities who, from June 16, 1996 to the present, incident to purchase, sale or refinancing of real property located in California, deposited funds in escrow accounts controlled by the Defendants and were not paid interest on their funds and/or were charged fees for services not rendered by Defendants or excessive fees for the services Defendants performed. The Plaintiffs allege in the Third Amended Complaint that the Defendants unlawfully (a) received interest, other credits or payments that served as the functional equivalent of interest, on customer escrow funds; (b) charged and retained fees for preparing and recording reconveyances that they did not prepare or record, and charged and retained excessive fees for other escrow-related services; and (c) swept or converted funds in escrow accounts based upon contrived charges prior to the time the funds escheated or should have escheated to the State of California pursuant to the Unclaimed Property Law. The Plaintiffs assert claims for relief against the Defendants based on (i) violation of California s Unfair Business Practices Act, California Business and Professions Code §§ 17200, et. seq.; (ii) violation of California s Deceptive, False and Misleading Advertising Act, California Business and Professions Code §§ 17500, et. seq.; and (iii) unjust enrichment. The Plaintiffs seek injunctive relief, restitution of improperly collected charges and interest and the imposition of an equitable constructive trust over such amounts, damages according to proof, punitive damages, costs and expenses, attorneys fees, pre- and post-judgment interest and such other and further relief as the Court may deem necessary and proper. On February 4, 2003, the Court granted the Defendants Motion for Judgment on the Pleadings relating to the claims brought on behalf of the general public, thereby limiting the relief that the Plaintiffs may recover to restitution and attorneys fees on behalf of the putative class. The Defendants intend to defend vigorously the Taylor Suit, and at this time no estimate of the amount or range of loss that could result from an unfavorable outcome can be made.

On September 5, 2002, Thomas Branick filed a representative suit on behalf of the general public against Lawyers Title Company (LTC), a subsidiary of the Company, in the Los Angeles Superior Court (Case No. BC 2811015). The complaint pleads causes of action for unfair competition (California Business and Professions Code §§ 17200, et. seq.) and unfair business practices (California Business and Professions Code §§ 17500, et. seq.) and generally alleges that LTC improperly charged its customers for recording documents incident to real estate transactions and overcharged its customers for administrative fees. Plaintiffs seek injunctive relief and restitution. On January 3, 2003, the Court (i) granted LTC s motion to strike portions of the complaint and (ii) sustained LTC s demurrer, abating the action pending completion of the verification process in the Attorney General Suit and final resolution of the action of the Taylor Suit. Based on the stay, and the fact that the suit is still in its initial stages, at this time no estimate of the amount or range of loss that could result from an unfavorable outcome can be made.

On May 9, 2000, Romeo Jergess filed a putative class action suit (the Jergess Suit) in the United States District Court for the Eastern District of Michigan, Southern Division (Case No. 00-72124) against Transnation Title Insurance Company (Transnation), a subsidiary of the Company. The suit alleges that Transnation s rate for an owner s title insurance policy, charged in accordance with rates for new construction filed with the Insurance Bureau of the State of Michigan, are less than the rate paid by the lender for a simultaneously issued lender s title insurance policy, and that the lower rate paid by the builder/developer for the owner s policy involves an illegal kickback for a referral and an illegal splitting of fees in violation of the Real Estate Settlement Procedures Act (RESPA). On April 27, 2001, a similar suit was filed by Elaine Miller (the Miller Suit) in the same court (Case No. 01-71647) against Lawyers Title Insurance Corporation (Lawyers Title), a subsidiary of the Company. The plaintiffs in both suits seek an unspecified amount of damages equal to three times the amount of the charge for a simultaneously issued lender s title insurance policy, plus costs, interest and attorneys fees. The Jergess Suit and the Miller Suit were consolidated on July 18, 2002. On December 5, 2002, the court certified a class defined as all individuals who, during the period commencing prior to one year of the filing of the applicable suit and ending on October 30, 2002, purchased a newly constructed one to four family dwelling or condominium and were charged for a lender s title insurance policy allegedly in violation of RESPA. On February 12, 2003, the United States Court of Appeals for the Sixth Circuit denied Transnation s and Lawyers Title s petitions for an interlocutory appeal of the class certification order. Transnation and Lawyers Title intend to defend vigorously the consolidated suits. A trial date has not been set. At this early stage in the litigation, no estimate can be made of the impact on the Company that could result from an unfavorable outcome at trial.

ITEM 4.

SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of security holders during the fourth quarter of 2002.

EXECUTIVE OFFICERS OF THE REGISTRANT

Set forth below are the persons who serve as executive officers of the registrant, their ages and positions as of March 18, 2003, and their business experience during the prior five years. There are no family relationships between any of such persons and any director, executive officer, or person nominated to become a director or executive officer.

Name	Age	Office and Experience
Charles H. Foster, Jr.	60	Chairman and Chief Executive Officer of the Company since October 1991. Mr. Foster also serves as Chairman and Chief Executive Officer of Lawyers Title, a position he has held for more than five years. In addition, since June 1, 1999, Mr. Foster has served as Chairman and Chief Executive Officer of Commonwealth and Transnation.
Janet A. Alpert	56	President of the Company since January 1993. Ms. Alpert also serves as President of Lawyers Title, a position she has held for more than five years. In addition, since March 1, 1998, Ms. Alpert has served as President of Commonwealth and Transnation. Ms. Alpert also served as Chief Operating Officer of the Company and Lawyers Title from January 1993 to February 27, 1998.
Theodore L. Chandler, Jr.	50	Chief Operating Officer of the Company since July 24, 2002. Mr. Chandler also serves as Chief Operating Officer of Lawyers Title, Commonwealth and Transnation, positions he has held since July 24, 2002. Mr. Chandler served as Senior Executive Vice President of the Company from January 31, 2000 until July 24, 2002, and Senior Executive Vice President of Lawyers Title, Commonwealth and Transnation from February 23, 2000 until July 24, 2002. Mr. Chandler was a member of the law firm of Williams Mullen until January 31, 2000, a position he held for more than five years.
G. William Evans	48	Chief Financial Officer of the Company since September 15, 1999. Mr. Evans also serves as Chief Financial Officer of Lawyers Title, Commonwealth and Transnation, positions he has held since September 15, 1999. Mr. Evans served as Executive Vice President Information Technology of the Company from February 27, 1998 to September 15, 1999. He served as Vice

President and Treasurer of the Company from October 1991 to February 1998. He also served as Senior Vice President, Chief Financial Officer and Treasurer of Lawyers Title from October 1991 to February 1998.

Name	Age	Office and Experience
Russell W. Jordan, III	62	Executive Vice President, General Counsel and Secretary of the Company since October 24, 2001. Mr. Jordan also serves as Executive Vice President and General Counsel of Lawyers Title, Commonwealth and Transnation, positions he has held since October 24, 2001. Mr. Jordan served as Senior Vice President, General Counsel and Secretary of the Company from March 1, 1998 to October 24, 2001. In addition, Mr. Jordan served as Senior Vice President and General Counsel for Commonwealth and Transnation from March 1, 1998 until October 24, 2001 and held the same position for Lawyers Title for more than five years until October 24, 2001. Mr. Jordan served as Secretary and General Counsel of the Company from October 1991 to February 1998.
John R. Blanchard	54	Senior Vice President - Corporate Controller of the Company since February 27, 1998. Mr. Blanchard also serves as Senior Vice President and Corporate Controller of Commonwealth, Lawyers Title and Transnation, positions he has held since March 1, 1998. He served as Controller of the Company from February 1992 to February 1998. He also served as Senior Vice President and Controller of Lawyers Title from October 1991 to February 1998.

PART II

ITEM 5.

MARKET FOR REGISTRANT S COMMON EQUITY AND RELATED

SHAREHOLDER MATTERS

Market Price and Dividends

The Common Stock of the Company trades on the New York Stock Exchange (NYSE) under the symbol LFG.

The following table sets forth the reported high and low sales prices per share of the Common Stock on the NYSE Composite Tape, based on published financial sources, and the dividends per share declared on the Common Stock for the calendar quarter indicated.

	Price Range		
	High	Low	Dividends
Year Ended December 31, 2001			
First quarter	$50.45	$30.75	$0.05
Second quarter	37.00	26.50	0.05
Third quarter	37.09	29.09	0.05
Fourth quarter	35.69	23.20	0.05
Year Ended December 31, 2002			
First quarter	$34.63	$25.55	$0.05
Second quarter	36.85	29.19	0.05
Third quarter	36.70	25.25	0.07
Fourth quarter	38.30	29.60	0.07

As of March 18, 2003, there were approximately 1,331 shareholders of record of the Company s Common Stock.

The Company s current dividend policy anticipates the payment of quarterly dividends in the future. The declaration and payment of dividends to holders of Common Stock will be in the discretion of the Board of Directors, will be subject to contractual restrictions contained in a Company loan agreement, as described below, and will be dependent upon the future earnings, financial condition and capital requirements of the Company and other factors.

Because the Company is a holding company, its ability to pay dividends will depend largely on the earnings of, and cash flow available from, its subsidiaries. In a number of states, certain of the Company s insurance subsidiaries are subject to regulations that require minimum amounts of statutory surplus. Under these and other such statutory regulations, approximately $89.0 million of the net assets of the Company s consolidated subsidiaries are available for dividends, loans or advances to the Company during 2003.

In addition to the minimum statutory surplus requirements described above, these insurance subsidiaries are also subject to state regulations that require that the payment of any extraordinary dividends receive prior approval of the insurance regulators of such states. The following table summarizes the insurance regulations that restrict the amount of dividends that Commonwealth, Lawyers Title and Transnation can distribute to the Company in any 12-month period without prior regulatory approval:

Subsidiary	Regulatory Agency	Regulatory Limitation	Financial Limitation (1)
Commonwealth	Pennsylvania Department of Insurance	Payment of dividends or distributions may not exceed the *greater* of:	$55.6 million
		10% of such insurer s surplus as of the preceding year end, or	
		the net income of such insurer for such preceding year.	
Lawyers Title	Virginia Bureau of Insurance	Payment of dividends or distributions is limited to the *lesser* of:	$27.2 million
		10% of such insurer s surplus as of the preceding December 31, or	
		the net income, not including realized capital gains, of such insurer for the preceding calendar year.	
Transnation	Arizona Department of Insurance	Payment of dividends or distributions is limited to the *lesser* of:	$6.2 million
		10% of such insurer s surplus as of the preceding December 31, or	

such insurer s net investment income for the preceding calendar year.

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(1)

Based on statutory financial results for the year ended December 31, 2002.

In addition to regulatory restrictions, the Company s ability to declare dividends is subject to restrictions under a Revolving Credit Agreement, dated as of November 7, 1997, between the Company and Bank of America National Trust and Savings Association, as amended, which generally limits the aggregate amount of all cash dividends and stock repurchases by the Company to 25% of its cumulative consolidated net income arising after December 31, 1996. As of December 31, 2002, approximately $47.8 million was available for the payment of dividends by the Company under the Revolving Credit Agreement. Management does not believe that the restrictions contained in the Revolving Credit Agreement will, in the foreseeable future, adversely affect the Company s ability to pay cash dividends at the current dividend rate.

ITEM 6.

SELECTED FINANCIAL DATA

The information set forth in the following table should be read in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations and the Consolidated Financial Statements and Notes thereto.

For the year ended December 31:	2002	2001	2000	1999	1998
	(In thousands of dollars, except for common share amounts)				
Revenues	$2,586,550	$2,170,477	$1,802,405	$2,048,013	$1,848,870
Net income (loss)	149,352 (3)	60,266 (2)	(80,766) (1)	54,317	93,028
Net income per common share	8.10	3.42	(6.60)	3.21	6.13
Net income per common share assuming dilution	8.04	3.24	(6.60)	2.79	5.05
Dividends per					

common share	0.24	0.20	0.20	0.20	0.20
At December 31:					
Total assets			1,618,957	1,657,921	1,692,358
	1,910,832	1,707,481			