

Title Industry Quick Facts

- ✓ Nationally, title insurance paid approximately \$582.7 million in claims in 2002, compared to \$465.1 million in the previous year, an indication of how important it is for homeowners and purchasers of real property to purchase title insurance. *Source: American Land Title Association*
- ✓ A survey of 420 abstractors and agent operations showed that problems or defects in the title are discovered through examinations performed by title industry professionals in one out of every four real estate transactions. Because of the research and corrective work that title companies perform, it is rare for homeowners to suffer a loss under their title insurance policy. *Source: American Land Title Association*
- ✓ A recent study by the American Land Title Association finds that in 36% of all real estate transactions the title company needs to fix a significant problem before the title is insurable. *Source: Dr. Nelson R. Lipshutz, President, Regulatory Research Corp*
- ✓ In performing title searches and curing title problems discovered by title searches to avoid losses by policyholders the title industry spends more than 10 times the amount it pays in claims. *Source: American Land Title Association*
- ✓ "In addition to indemnifying insureds when a title problem occurs, the title insurance process guarantees that almost all title problems will be fixed before a consumer buys a property or borrows money against it. Title insurance is primarily about loss prevention, not loss reimbursement. *Source: Dr. Nelson R. Lipshutz, President, Regulatory Research Corp*
- ✓ At a time when homeowners insurance and automobile insurance are increasing in price, the cost of title insurance is at its lowest level in more than a decade. In 1993, an owner's policy of title insurance for \$100,000 of coverage cost the consumer \$1,023. Today, the same amount of insurance would cost only \$871. Also, today \$1,020 will purchase \$127,000 of title insurance coverage. *Source: Texas Land Title Association*
- ✓ The cost of title insurance paid by policyholders in Texas has decreased more than 15 percent in the last decade, as opposed to costs paid by policyholders for most other lines of insurance that have increased. *Source: Texas Department of Insurance*
- ✓ When you buy a homeowner's insurance policy to insure your home in the event of a fire, you pay for the premium for insurance coverage that lasts usually for no more than a year. If you want insurance on your home next year, you have to pay more premium for another policy covering your home next year. But you only pay for a title insurance policy once, and the policy is in effect for as long as you own your home. *Source: Texas Land Title Association*
- ✓ Regulation of title insurance markets in Texas is designed to protect consumers. This requires a balancing of two objectives: (1) making affordable coverage available to the consuming public; and (2) attracting sufficient investment in the industry to ensure that the guarantees provided by title insurers are capable of being maintained over time. *Source: Dr. Jared Hazleton*
- ✓ Out of more than one million policies issued in Texas in 2002, only 296 complaints were filed with the Texas Department of Insurance, most of which were due to the complainant's misunderstanding about the product. *Source: Texas Department of Insurance*