

Protecting Private Property Rights Essential to Texas Economy

by Patti Bonner

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Most Texans haven't given title insurance a second thought. That's because they don't have to.

Consumers heading into home buying season can rest assured that Texas' title insurance professionals are taking care of the details needed to protect their most important and valuable asset: their home. Texas' strong oversight has taken the guesswork out of that part of the real estate transaction, providing one of the safest, most stable and transparent title insurance markets in the country.

Some have questioned whether the state needs to continue regulating the title insurance market. But that view is misguided. These safeguards reflect a core Texas value: protecting private property rights. Our state leaders have chosen wise public policy in setting high standards that ensure a robust, stable and safe real estate economy.

By any measure, the Texas title insurance system works well for consumers. **Over the past two and a half decades, Texas title insurance rates have actually decreased by about 15 percent**, while the costs of other similar goods and services have increased.

Because of our state's high standards, Texas ranks as the most populous state with the lowest rate of claims. Low claims are the strongest indication of a healthy system. Title insurance protects property owners against mistakes and other unknown factors and shouldn't be confused with homeowners and auto insurance that insure against future hazards.

Not only are title insurance premiums paid once at closing rather than annually, like other types of insurance, title insurance provides coverage for an entirely different type of risk. Being in one of the safest states for protecting real estate transactions means Texas property owners can rest easy knowing the job was done right, without the worry of losing their ability to own and enjoy the use of their property.

Trying to compare Texas title insurance premiums to those in other states (which the Texas Association of Business and Texas Public Policy Foundation have done in recent publications) is a tangled mess that fails to show the full picture. In many states, insurance premium rates may appear lower but attorneys' fees, abstract fees, higher closing fees and other costs drive up the overall expense. That means a larger final bill, which can be a shock to consumers.



Not only is Texas' transparent, consistent system fair to consumers, it's more hassle-free. Texans can go to one place to complete the entire process, rather than having to run around hiring abstractors, attorneys and other professionals to close the deal. Texas' competitive title insurance market provides consumers access to wide choices for quality service at consistent rates. In virtually every county, consumers have access to local title agents who know the area and history of the properties in the communities they serve. Changing the system would upset and limit that access, threatening the jobs of Texas' 13,000 experienced title insurance professionals, and ultimately creating more risk for the consumer.

Texas' long-standing tradition of protecting personal property rights is working for consumers and our real estate economy. Let's not put the strength of that tradition at risk.

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