

Small Businesses Will Suffer Under Proposed Title Insurance Changes

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Do you know anything that's cheaper today than it was in 1991? If nothing comes to mind, consider the cost of title insurance in Texas where rates have decreased by 15 percent in the last 25 years. Our efficient, secure title insurance system has helped Texas develop one of the best real estate markets in the country. Despite this fact, a small group of billionaires are pushing to move Texas into a radically different system that could have disastrous consequences.



Their proposal is short-sighted when you consider that Texas boasts one of the safest systems in the country with the fifth lowest claims rate. Texas' low claims rate reflects just how good our current system is. The title industry's job is to eliminate claims; and we achieve this goal better than almost every other state. In fact, Texas ranks as the most populous state with the lowest rate of claims. Title insurance isn't like auto/home insurance. Title insurance premiums are paid once and prevent risk. Auto/home premiums are paid annually and manage risk.

Our state's competitive market also offers customers more choices and access to local agents – small business owners who belong to the communities they serve. These are the very people who will suffer under this proposal with small businesses being shuttered and thousands of jobs being lost or shipped overseas.

Don't be misled when you hear special interest groups shouting to change Texas' title insurance industry to a "file- and-use" system. Their proposal will actually result in higher prices, less competition and more claims. This radically disruptive policy change would benefit only a handful of the largest scale commercial developers at the expense of homeowners and small business owners across the state.

Opponents of the current system falsely claim their proposal is an effort to "de-regulate" the industry, but in fact what they are attempting to do is re-regulate the system to rig it in their favor. A "file-and-use" system is a dream for a few well-heeled individuals. It's a nightmare for homeowners and small businesses.

Make no mistake, Texas' title insurance industry works for Texas consumers.

The [Texas Land Title Association \(http://www.tlta.com/\)](http://www.tlta.com/) is working to educate industry partners and those in the small business community about this latest threat to the land title system. If you have any questions about the current system, please take a look at the [Texas Title Insurance Works Toolbox \(http://www.tlta.com/Tlta/Advocacy/texas_title_insurance_works_toolbox.aspx\)](http://www.tlta.com/Tlta/Advocacy/texas_title_insurance_works_toolbox.aspx) or contact TLTA at info@tlta.com or 512.472.6593.

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This guest column is provided by Texas Land Title Association (TLTA). Founded in 1908, TLTA serves more than 13,000 professionals and is a statewide trade association representing the land title industry in Texas. TLTA members protect the property rights of Texans and provide peace of mind in real estate transactions. They bring certainty, efficiency and security by researching titles, safely conducting closings and issuing title insurance to protect real property owners and mortgage lenders against losses from defects in titles.

