ALTA
American Land Title Association

Understanding the Protections and Cost of Title Insurance

- Unlike most insurance products, title insurance is a **one-time premium** that protects homebuyers as long as they own their home and covers lenders for the life of the mortgage.
- Much of the cost of title insurance goes into the **upfront, curative work** that is done before anyone reaches the closing table. Title professionals search the public records and often **cure** defects.
- The **unique protection** that title insurance offers is against any defects that were not found during the title search, such as fraud, forgery, unrecorded liens, etc. A significant proportion of claims are for items that could not be found in a public record search.
- Title insurance also includes a **duty to defend**, which covers all legal fees if a dispute over ownership arises. This means that title companies will fight to keep consumers in their home, at no additional cost to them.
- While other forms of insurance have seen rate increases in recent years, **the cost of title insurance coverage actually has decreased** 7.8% nationally since 2004.
- Title insurance is comprehensively regulated at the state level by departments of insurance.
- Title insurance companies are required to file their polices and rates with state regulators to ensure they are fair, non-discriminatory and adequately protect consumers.

Title Insurance Protects Against

- Forged documents
- Boundary or survey disputes
- Undisclosed heirs
- Unrecorded liens and judgments for unpaid taxes, alimony and child support
- Errors in public records
- Fraudulent deeds

The Cost of Producing a Title Policy

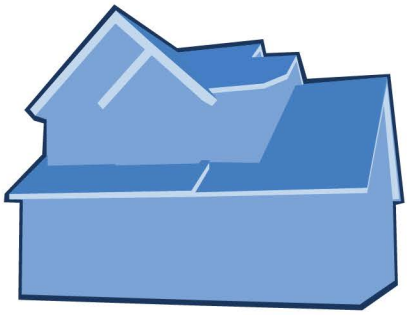


Source: Industry analysis of NAIC Form 9 Annual Statements

The median cost of title insurance and settlement services is 0.67% of the purchase price of a home.

Source: Fannie Mae

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ALTA is the national trade association for the title insurance and settlement services industry.

Nationwide, the industry is made up of:

- 155,000 professionals, nearly 70% of whom are women
- More than 90% of title companies are small businesses

(Source: SBA)

The Title Insurance Industry in Hawaii

- The title industry **employs over 500 professionals** across the state
- Accounts for **$41 million in wages and benefits**
- Contributes **$90 million to GDP**



Title professionals work hard to ensure homebuyers and sellers are protected when purchasing a home. They also serve the communities where they live and work.

Source: EY QUEST, Economic Contribution of the U.S. Land Title Insurance and Settlement Services in 2022, January 2024

ALTA Good Deeds Foundation

The ALTA Good Deeds Foundation supports the charitable efforts of title professionals as they work to build and strengthen their local communities. The ALTA Good Deeds Foundation provides charitable grants to 501(c)(3) organizations supported by ALTA members.

In Hawaii, $6,000 has been given to charities championing community improvement since the Foundation was established in 2020.