

# More than pushing a button. The title insurance industry's effort to ensure a clear title protects homeowners

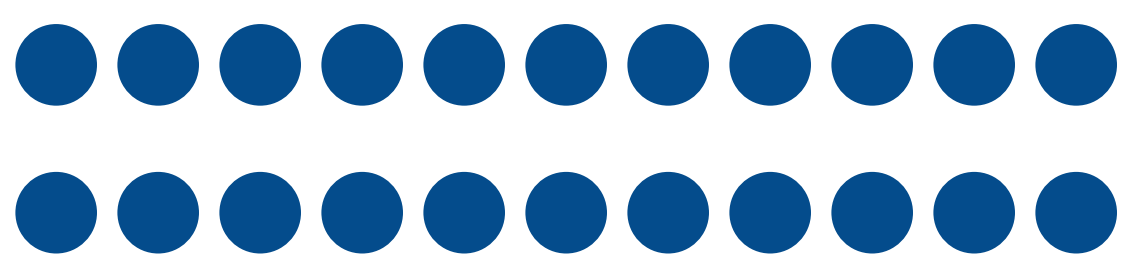
## SIGNIFICANT WORK IS REQUIRED TO CLEAR TITLES & CLOSE TRANSACTIONS

Homebuyers want to know they own their homes. Since many title issues can be discovered and potentially fixed prior to closing, title insurance companies invest heavily in title research and curative work (which requires far more than an online search of the public record) to protect property rights. Approximately 70 cents of every dollar paid at closing for title insurance and settlement cover this upfront expense<sup>1</sup>. Additionally, title insurance protects against unknown and unidentifiable risks, such as fraud and forgery.

Time required to close a transaction

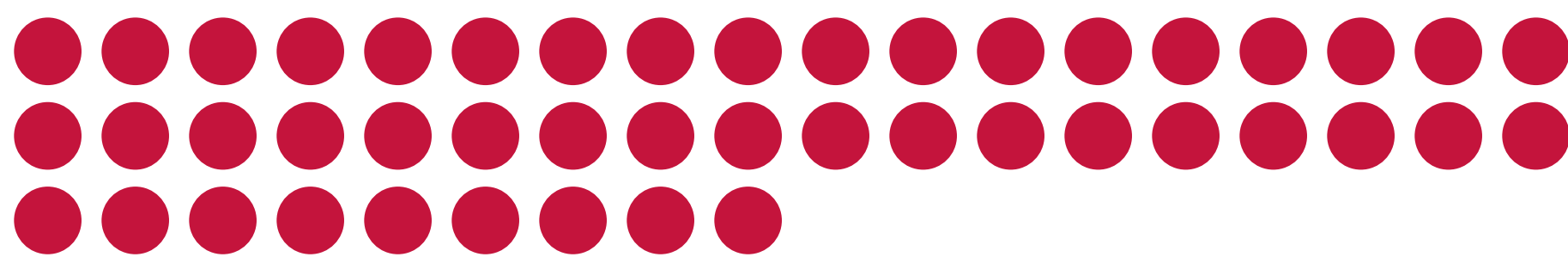
Standard Files

22 Work Hours



Difficult Files<sup>2</sup>

45 Work Hours



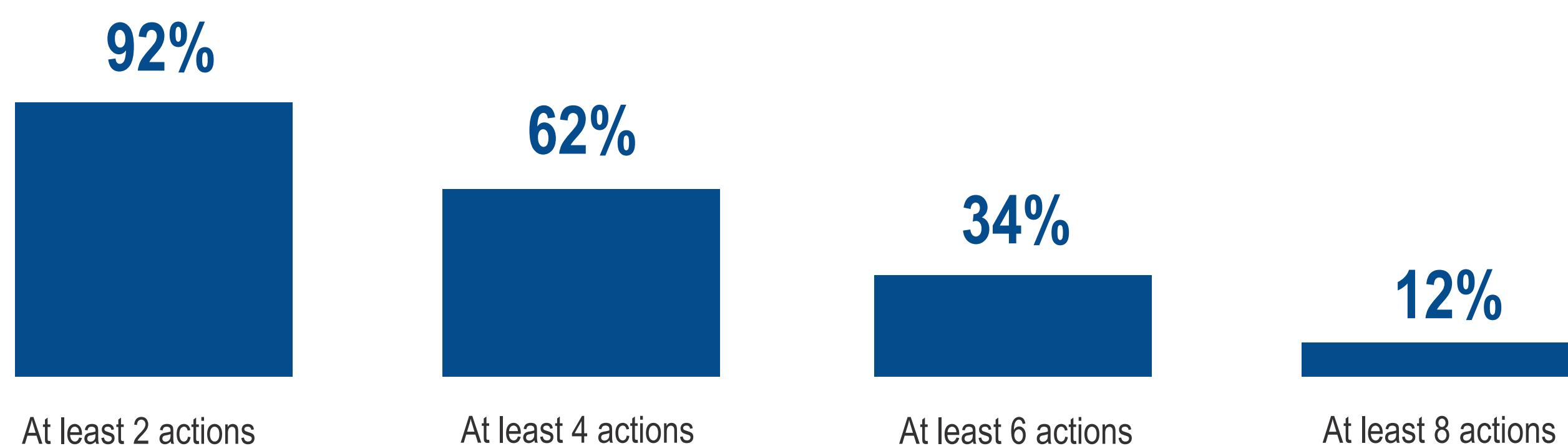
✓ Ten tasks required in the closing process

1. Opening process
2. Title production
3. Clearing to close
4. Lender coordination
5. Non-curative closing requirements
6. Preparation of closing package
7. Signing process
8. Processing signed closing documents
9. Funding and disbursement
10. Final title policy issuance

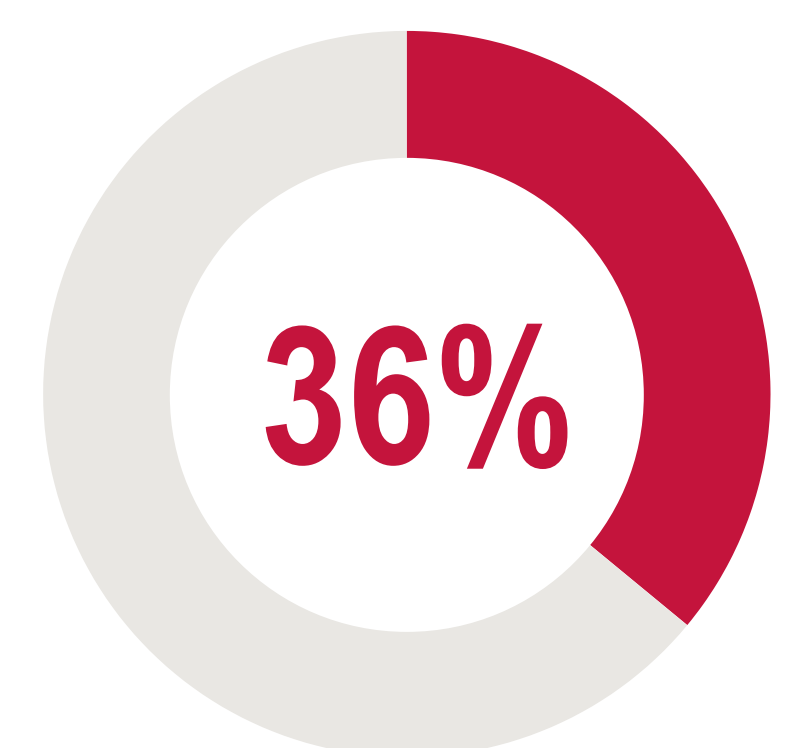
## 36% OF CLOSING TRANSACTIONS REQUIRE SUBSTANTIAL CURATIVE WORK

Nearly all companies typically perform at least one curative action often or very often in order to produce a clean title. Of these companies, 62% address at least four curative issues per transaction, on average. Title insurance companies estimate that 36% of transactions require a substantial amount of curative work to clear the title.

Number of curative actions typically taken by companies that perform at least one action "very often" or "often"



Avg. share of transactions that require substantial curative work

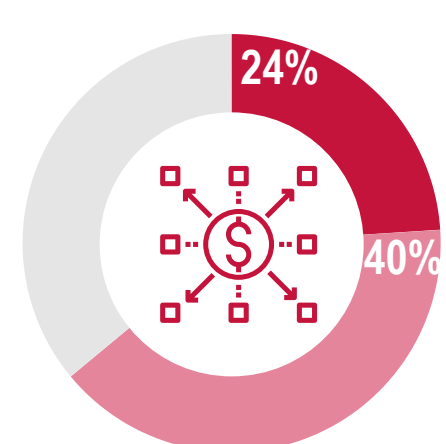


## CURATIVE WORK REQUIRES MORE RESOURCES THAN IT DID 5 YEARS AGO

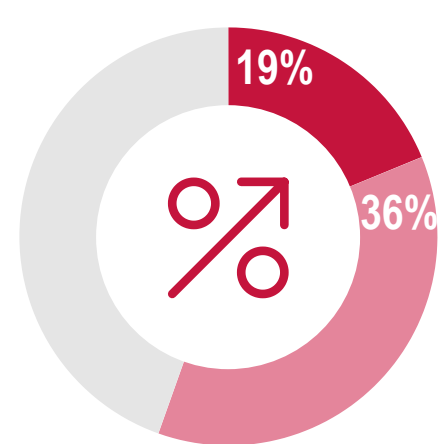
Curative work requires more resources than it did five years ago. The biggest changes were cost, volume, and the compliance burden.

Companies reporting the burden of curative work is higher than five years ago

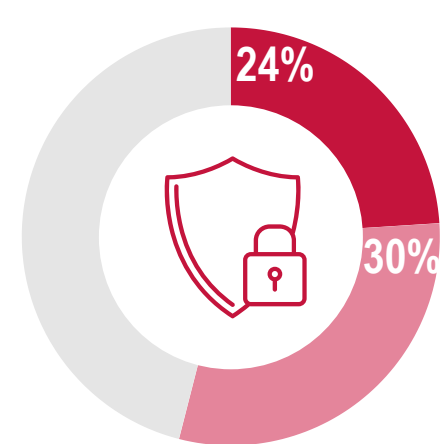
■ Much higher ■ Somewhat higher



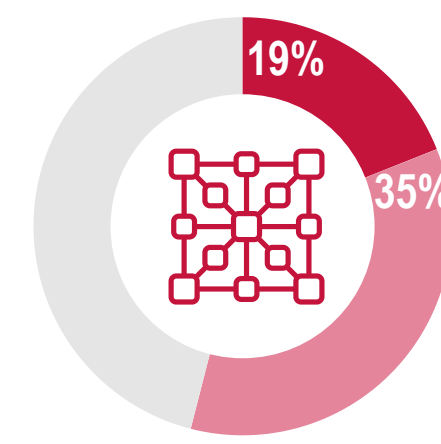
Cost of curative work  
64%



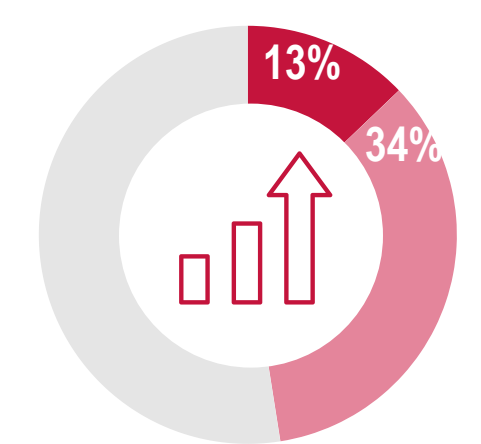
Share of transactions requiring curative work  
55%



Compliance burden during the curative process  
54%



Complexity of curative work  
54%



Number of curative actions per transaction typically taken  
47%

1. Industry Analysis of NAIC Form 9 Annual Statements

2. A difficult file is one that requires substantial non-routine title clearance efforts ("curative work")

Source: ndp | analytics. 2024. ALTA Critical Issues Study. More than pushing a button: Estimating the time and complexity of clearing title. April.