Title Monitoring

Description

Lately, we have been hearing from title agents that consumers are deciding not to purchase an ownerâ??s policy because they have some sort of title monitoring service. And some real estate agents are similarly advising their clients to forego title insurance in view of this alternative product.

Iâ??ve even had a representative from one of the companies message me on LinkedIn to ask me if we could meet so he could tell me how title agents can use this as an â??added source of revenueâ?•.

Do these title monitoring services render an ownerâ??s policy obsolete? Letâ??s chat about what these services do. Supposedly, they can monitor every Clerkâ??s office in every county of the country and notify you if a Deed or security instrument is recorded for your property. This service is aimed at protecting the consumer against fraudulent transfers, and for most customers of this product, thatâ??s all they do. But are fraudulent transfers commonplace? From what Iâ??ve been able to find, this is rare, and happens most often on investment/second homes or those that are owned free of liens.

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Certainly, being notified would be nice, but would it protect the owner? In most cases, no. A customer of a title monitoring product may have to pay for legal assistance to nullify the fraudulent deed of transfer. But wait! Thatâ??s what title insurance does. Under the same facts, the owner of an enhanced policy could file a claim, triggering coverage that may pay the cost to investigate and remedy the defect. An enhanced policy provides coverage for future events like this rather than just past problems.

And price? Premium for an ownerâ??s policy is paid once, at closing. It also enables you to receive discounted premium on a new lenderâ??s policy if you refinance (as always, check with your underwriter). Title monitoring is a monthly fee paid indefinitely. Over the long haul, title insurance costs less and offers more coverage than a title monitoring service.

And remember, the value of a product is only as good as the company that stands behind it. As an astute title agent pointed out to me, title insurance underwriters must demonstrate financial strength through a statutory claims reserve, but title monitoring services have no such requirement. Most of the national underwriters can trace their history back 100 years or more. Can the same be said of these title monitoring services?

Bottom line: buyers should invest in affordable, lasting protection by purchasing an enhanced ownerâ??s policy. As title agents, it falls on us to educate them!

NB If you are an agent for Old Republic, we have a brochure that addresses this issue.

Below are some articles that cover the topic to help you â?? share and spread the word!

https://www.thepublicopinion.com/story/opinion/columns/2021/08/30/home-title-thieves-cannot-steal-your-house-rick-kahler-reports/5648246001/

Should I Pay a Company To Lock Down My House Title or Is It a Scam? â?? Clark Howard

Title Lock Insurance is a waste of your money (fox5atlanta.com)

Colleen Taylor
Colleen has been in the title industry since 1990, when she was hired as a construction risk analyst in the Norfolk office of Lawyers Title Insurance. Prior to that, she had been a mortgage loan officer in her home state of Indiana. In addition to working in various capacities with Lawyers Title, she also ran an agency for a large home builder. She now serves as an Agency Representative for Old Republic

National Title and enjoys helping agents with the myriad of issues they face. Colleen lives in Warrenton with her rescued dog and cat and enjoys yardwork, hiking, and kayaking in her free time. She is a graduate of Purdue University.

Category

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