California Land Title Association

SINCE 1907

The Facts about Title Insurance in California

Competition

There are nearly 100 title companies licensed to do business in the state by the California Department of Insurance. Consumers benefit from the fierce competition that exists in the state. Many title companies have introduced new, low-priced products and filed rate reductions during the past few years.

The president of the National Association of Realtors summed it up best by stating: "NAR believes that the title insurance industry is highly competitive and that this fact is not in serious dispute among real estate service providers." *(Thomas Stevens, President NAR, Hearing before the Subcommittee on Housing and Community Opportunity of the House Committee on Financial Services, April 26, 2006)*

Consumer Choice

Consumers have the ability to shop for title insurance and should do so if they choose. The California Land Title Association provides consumers a convenient and powerful way to compare title company prices through the TitleWizard website available at *www.clta.org* and *www.closingcorp.com/titlewizard*. TitleWizard allows consumers to easily compare title insurance rates and obtain policy information specific to their transaction while learning more about the title companies serving their local area.

The TitleWizard website is free to all users and automatically generates rate and service comparisons specific to each user's transaction. Consumers' privacy is protected at all time and user data is not shared with any title company or other third-party entity. The TitleWizard also features a "Learning Center" to educate consumers about the closing process. The rate comparison information on the TitleWizard site is accurate and current because it comes directly from the members of the California Land Title Association – a feature exclusive to the TitleWizard website.

Below Average Rates

A recent analysis of real estate closing costs by the website BankRate.com found prices for title insurance/title work in California to be below the national average, despite the fact that California has relatively high overall mortgage closing costs.
(http://www.bankrate.com/brm/news/mortgages/2007/closing_costs_CA.asp)

Title insurance prices in California have declined significantly as a percentage of a typical home's purchase price since the 1970s, and by a far larger amount since California home prices began their rapid rise in the year 2000. Furthermore, title insurance prices in California are now among the lowest in any of the ten largest states. *("Competition and Title Insurance Rates in California," Dr. Bruce E. Strangle and Dr. Bruce A. Strombom, Analysis Group, Inc., January 26, 2006)*

A recent report by the U.S. Government Accountability Office (GAO) revealed that rates in California declined by 29% during the last five years. *(GAO 07-401 Title Insurance)*