

New study shows Texas businesses paying among the highest rates in the nation for commercial title insurance policies.

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TEXANS FOR
FREE ENTERPRISE

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LBJ School study looks at commercial properties between \$1 million and \$10 million, finds higher prices and higher rate of increase

"Austin, Texas, March 24, 2017 – Texas has the highest title rates on lenders' title policies for commercial property purchases compared to nine other states, according to a new study released by Dr. David Eaton at the LBJ School of Public Affairs at The University of Texas at Austin."

states: Florida, Illinois, Indiana, Iowa, Kansas, New Mexico, New York, Pennsylvania and Tennessee."

"Texas lenders' title insurance prices are far higher than any other state and the rates of increase in Texas title insurance rates exceed those of the other states studied," said Dr. David Eaton, the study's lead researcher and a professor at the LBJ School of Public Affairs...."

Read the full LBJ School press release [HERE](#)



Chairman John Smithee signs on as a joint author of Rep. Sergio Munoz's title insurance reform bill

Representative John Smithee (R-Amarillo), Chairman of the House Judiciary and Civil Jurisprudence Committee, has joined Representative Sergio Munoz Jr. (D-Mission), Vice Chairman of the House Insurance Committee, in introducing [H.B. 4239](#), a new bill aimed at bringing much-needed transparency and competition to Texas' title insurance market.

TLTA Myth of the Week: Texas rates are RESPONSIVE and COMPETITIVE

Despite the Texas Land Title Association's claims, Texas has one rate for title insurance. It is set by the state, and must be used by all title insurance companies for all consumers in all transactions.

Any attempt to offer a lower rate and be competitive is prohibited by law.

On a per policy basis, Texas decision to set prices and restrict innovation adds from \$292 to \$1,663 in costs for the average purchaser of title insurance policies of \$1 million or less.

More facts about title insurance rates in Texas.

1. Texans pay almost \$2 billion in title insurance premiums per year, and we have among the highest

authority on insurance matters in the Legislature. As Chairman of the House Insurance Committee for 20 years, Smithee was a consistent champion of competitive and transparent practices in various lines of insurance, and in the 83rd Legislature he authored several bills in support of bringing competition to title insurance.

2. According to research from the University of Texas at Austin, LBJ School of Public Affairs, Texans at all income levels and property values pay more for title insurance than residents in most other states.

3. Texans pay up to \$1,663 more for title insurance on properties up to \$1 million. The higher the property value, the greater the overcharge.

4. For transactions over \$1 million, Texans pay the highest rates of the studied states and the overcharges continue to grow the higher the property value. The study found that for properties between \$1 million and \$10 million. In Texas, title insurance prices increase at a rate of about \$4,577 per \$1 million of increased mortgage, or \$4.58 per each thousand dollar increase.

5. For a given commercial transaction of \$10 million, a Texas developer would pay over \$45,000 for a Texas title policy. That same transaction in New York would cost about \$31,000 and in Kansas \$11,300. And you may even be able to negotiate a lower rate, but not in Texas where the rate is set by the state.