May 26, 2015

TO: NAIC Title Insurance Consumer Shopping Tools Working Group

FROM: Brenda J. Cude, NAIC Consumer Representative, and Professor, University of Georgia

RE: Title Insurance Shopping Tools

Via Email

I appreciate the work that has gone into the earlier version of this document. I see that in this latest document (which I first saw in the email sent May 19, 2015), there are additions. The most extensive changes appear to be to make it clear that title insurance applies to the purchase of both homes and land.

The terminology used to make this point – “property” and “piece of property” – is imprecise and confusing as “property” was already used as a generic term in the document. In the attached document, I used Track Changes to modify the language “home and property” and “home and piece of property” to “home and land” or “home and land purchase.” Where the term “property” remains, it is a generic term in a paragraph where “home and land” and “home and land purchase” already appears.

In addition, by adding “land” specifically, lists that previously were written to apply to home purchases include items that do not apply to land purchases. These lists appear in the section “Buying or Refinancing a Home or Land.” I have now modified the lists to be clear which apply to the purchase of both home and land and which apply only to the purchase of a home (BC 9-12, 15-18 Comments). That section is also written assuming all purchases are financed, and I added a qualifier to be clear about that assumption (BC8 Comment).

In the section “What Is Title Insurance and What Does It Cover,” a qualifier seems necessary that if I submit a claim, benefits will be paid if my claim is approved (BC21 Comment).

I made a few changes throughout to preserve the original “voice” and reading level of the document – using contractions and active voice as well as changing more difficult words to use simpler ones. I used Track Changes throughout and explained changes in comments.

In the section “Two Types of Title Insurance,” I made minor changes in the sentence about who pays for a lender’s policy to be clearer (BC39 Comment).
In the section “What Doesn’t Title Insurance Cover?” I made minor changes in the sentence about the example (BC40 Comment) and asked if the paragraph about endorsements in the previous section should be moved here (BC43 Comment).

In the section “The Right to Choose Your Own Title Agent/Company” I changed “loan” to “mortgage” as we only use the term “loan” one other time (BC Comment 46 – see also BC Comment 61 in Closing Agents section). I also noted that “prequalification” mentioned here is NOT in the steps on page 3 (BC47 Comment).

In the section “What Does Title Insurance Cost” I made a minor change in the second sentence to be consistent with the first sentence (BC52 Comment).

In the section “Final Tips to Remember,” I changed the reference to “settlement statement” and “ONE” business day to “closing disclosure” and “THREE” business days to be consistent with the modifications in the earlier section (BC65 Comment).

I appreciate the Working Group’s consideration of my comments.