





[Home](#)

# Direct-to-consumer title insurer OneTitle secures \$13 million investment

## White Mountains Insurance Group acquires minority stake

[Ben Lane](#)

April 22, 2015

Direct-to-consumer title insurer **OneTitle National Guaranty Company** announced that it secured a \$13 million investment from **White Mountains Insurance Group**, which it plans to use to expand beyond New York.

As part of the deal, White Mountains Insurance acquired a minority stake in OneTitle. Reid Campbell, managing director of **White Mountains Capital** and president of **White Mountains Advisors**, will also be added to the board of OneTitle Holdings as part of the transaction.

Touting “lower rates, improved safety and transparency, and unbeatable customer service,” OneTitle works directly with attorneys, lenders, developers and homeowners to offer title insurance “without any middlemen,” and claims that it can save homeowners, homebuyers and investors a total of 20% or more through a combination of lower filed premium rates and lower closing costs on most transactions.

“White Mountains’s commitment marks a true sign of disruption in the title insurance industry,” said Daniel Price, founder, president and chief executive officer of OneTitle. “Leveraging this investment and their insurance expertise, we will be able to bring better service and lower rates to even more attorneys, lenders, real estate investors and homeowners.”

Campbell said that White Mountains elected to invest in OneTitle because of its unique business model.

“In our search for innovative companies, we chose OneTitle because it is uniquely positioned in the title insurance industry,” Campbell said. “We are excited by our investment in OneTitle and look forward to bringing our resources and experience to bear in supporting Dan and the rest of his talented team.”

B. Lance Sauerteig, chairman of the board of OneTitle and president of **BLS Strategic Capital**, said that the injection of funding from White Mountains will allow OneTitle to continue its growth.

“The investment by White Mountains is an exciting milestone in the development of OneTitle,” Sauerteig said. “The current board members are looking forward to Reid Campbell joining us and to the opportunity to work with the entire White Mountains team. Their industry expertise and support will give tremendous impetus to our strategic growth plan in New York and expansion beyond.”



Ben Lane is a reporter for HousingWire. Previously, he worked for TownSquareBuzz, a hyper-local news service. He is a graduate of University of North Texas.



[Home](#)

# The potential cost of misunderstanding title insurance financing

**New York State real estate buyers spent an estimated \$817 million on title insurance in 2015**

[Daniel C. Price](#)

July 13, 2016

Over the course of a real estate transaction, professionals must eventually speak to their clients about title insurance, a topic rife with misunderstanding and myth.

Oftentimes the discussion is brief, and the costs associated with title insurance are perceived as fixed, but since it is one of the largest closing costs, title insurance represents an area in which lenders and attorneys can bring further value to their clients by educating them and helping them to save money. Done right, this conversation can strengthen the relationship between professional and client and drive future referrals.

In fact, a recent report culled public data from 182,487 transactions in 2015 and shows that New York State real estate buyers spent an estimated \$817 million on title insurance, of which \$155.3 million might be characterized as excess premiums and fees.

## What is title insurance?

Title insurance protects real estate buyers and lenders against defects in title, including liens, judgments and other matters that could impact their ownership of the property. It is required on most real estate transactions, and is generally purchased even when not strictly required.

It is an unusual form of insurance in that it is single premium (i.e., you pay the premium only once — usually when you purchase the property or receive the loan — even though the policy has no expiration date), and protects the insured against future losses that arise from risks that occurred before they purchased the policy. Other forms of insurance only protect against risk that occur after the policy is purchased, require periodic premiums (e.g., annual) and are subject to cancellation or non-renewal.

Because title insurance protects against risks that arise before the policy is issued, the underwriting process involves detailed research into the property's title, liens, judgments against the parties and other factors that could impact the buyer's and lender's right to the property. The goal is to identify any issues that could impact your ownership and tell you about them before you buy the property. Other forms of insurance use statistical analysis, combined with information on the specific policy to predict the likelihood of a future loss.

There are two major components to the cost of title insurance: premiums and title-related fees.

Both can be significant expenses, but a savvy property buyer, attorney or lender can reduce the cost of both the premium and the fees.

Since title insurance can be a major part of closing costs, it makes sense to consider less expensive options that offer the same coverage.

## What are the misunderstandings about title insurance in New York?

Contrary to broad misconceptions, New York state title insurance rates are neither set by law nor fixed by regulation. In fact, title insurers are free to file independent rate schedules with the **New York Department of Financial Services**. If approved by DFS, they can then charge the rates they set. Each company sets its own fees, so they can vary widely.

Despite this, nearly all title insurers in New York — operating under an anti-trust exemption — collectively file and use a single set of rates. This uniformity of rates among the vast majority of insurers contributes to the false perception that rates are set by law or regulation. Indeed, even deeply experienced attorneys and real estate experts often hold this misconception.

It is, however, possible for companies to break with industry practice and request approval of a different rate structure. While this is rare, there are companies offering lower rates for commercial and residential transactions, so shopping around can make a major difference.

Unlike premiums, which are set by the insurer (or “underwriter”) subject to regulatory approval, the fees — which in total can be larger than the total premium on smaller transactions — are set by either the individual title insurance agent or the underwriter (for policies issued without an agent), so they differ significantly from one company to another.

There are companies that have either reduced or eliminated title-related fees on New York real estate transactions.

Understanding these available lower-cost options can make a real financial difference. The 2015 data shows that unnecessary title-related expenses cost the average New York State real estate buyer \$851 on average per transaction, or 38.4% of the average cost of title insurance and related fees. On the average transaction under \$200,000, buyers could save 33% of their total title-related closing costs, giving them back, on average, 1% of the purchase price of their home. For the largest transactions, the lost savings was well over \$100,000 per transaction.



Daniel C. Price is Co-Founder, President and CEO of OneTitle, a direct title insurance underwriter that works directly with attorneys, lenders, loan officers and buyers.