

TitlePLUS program update



Responding to market chill with service improvements, public relations initiatives

TitlePLUS results reflect market weakness

A cautious, sometimes pessimistic mood permeated the Ontario real estate market in 2012. Sales dipped – modestly in some markets, more dramatically in others – and warnings of a more dramatic slide dominated real estate reporting for much of the year. Because title insurance sales are so closely tied to the market, the sales slowdown translated to a modest year-over-year decrease in gross premium for TitlePLUS policy sales.

It's too early for anyone – let alone title insurers – to make solid predictions about the likely duration of current market conditions. Watchful waiting is the rule for 2013. However, we are hopeful that premium reductions for new home policies announced in February 2013 will help us make the most of the sales opportunities that do arise in the coming months.

New management structure for TitlePLUS department

In 2012, LAWPRO announced that Mark Farrish (director of sales and marketing) and Lisa Weinstein (director, national underwriting policy) would continue on a permanent basis as co-department heads for the TitlePLUS department. Mark and Lisa had assumed this shared responsibility on a temporary basis in 2011, and their success in co-leading the department led to the formalization of this unique arrangement that benefits from their diverse and complementary skills and spirit of collaboration.

Subscriber base remains loyal

The TitlePLUS program subscriber base remained loyal through 2012, with eligible subscribers exceeding 4,700 lawyers and Quebec notaries by December 31, 2012. The program's stability seems to demonstrate that subscribers who choose TitlePLUS coverage recognize the program's emphasis on the role of the lawyer in the real estate transaction, and value the form of legal services coverage available automatically through the TitlePLUS program.¹

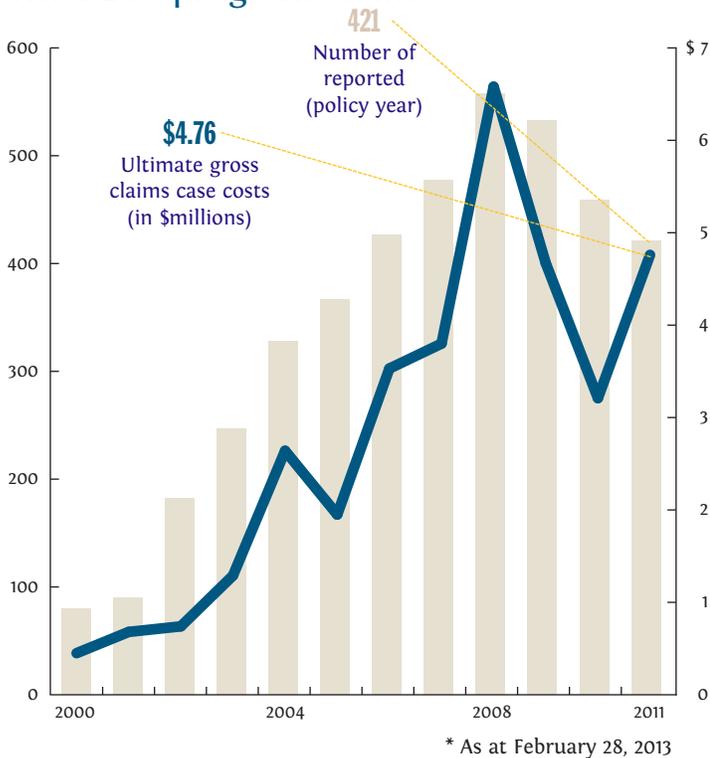
Claims patterns in 2012

The rate of claims for the program continues to be relatively consistent year-over-year, but causes of claims do vary. Continued fine-tuning of underwriting practices has led to a decrease in the frequency of building compliance claims in the past few years. These claims account for approximately 24 per cent of the total claims count, but nearly 49 per cent of claims costs, and so they have merited special attention.

The average indemnity payment on a TitlePLUS claim is approximately \$5,000, and approximately 90 per cent of claims are closed with payment of under \$10,000.

¹ Excluding Quebec and OwnerEXPRESS® policies.

TitlePLUS program claims*



Reaching out to subscribers and their clients in 2012

Application process streamlined

For lenders: In August 2012, the TitlePLUS program introduced changes designed to streamline the process for obtaining coverage for mortgage lenders.² In brief:

- condominium status certificates and realty tax searches are not required;
- fewer items need to be entered as exceptions to coverage; and
- certain searches – for example, with respect to building, fire and zoning – are no longer required for multi-unit properties.

Changes were also introduced with respect to applications for multi-unit property coverage:

- the residential policy is now available to cover multi-unit properties with up to six dwelling units; and
- searches are no longer required for Electrical Safety Authority work orders/compliance, or Fire Department compliance.

TitlePLUS gets social

In early 2012, the TitlePLUS program launched its Facebook page, “TitlePLUS Home Buying Guide – Canada”. The page provides resources to help educate homebuyers about the home buying

and financing processes. Other topics covered since our launch include: avoiding mortgage fraud, home design and decorating, the deductibility of moving expenses, and establishing a home maintenance schedule.

The TitlePLUS department also engages with the real estate bar via regular contributions to the Twitter conversation. Follow TitlePLUS:@TitlePLUSCanada.

Contributing to the conversation



Since the TitlePLUS program was founded in 1997, it has been a vigorous and persistent voice in support of the role of lawyers in the real estate transaction, and has played a key role in educating the public about title insurance.

The TitlePLUS program sponsors and exhibits at conferences across the country, and LawPRO speakers regularly address title insurance topics; for example, in 2012:

- Lisa Weinstein, director, national underwriting policy for the TitlePLUS program chaired the Law Society’s “Ethical Red Flags for Real Estate Lawyers” program and lectured to students in the Faculty of Common Law (English division) at the University of Ottawa;
- Kathleen Waters, LawPRO’s president and CEO, presented on communication and insufficient investigation complaints in real estate at the Law Society’s “Six Minute Real Estate Lawyer” program; and

² Different search requirements may apply to transactions from \$1 million to \$2 million.

- Ray Leclair, vice president, public affairs for LawPRO described the ways in which title insurers can choose to respond to claims as part of the Law Society’s “Six Minute Real Estate Lawyer” program and introduced title insurance basics to students in the Faculty of Common Law (French division) at the University of Ottawa.

LawPRO and the TitlePLUS program prepare content that promotes the role of lawyers and the benefits of title insurance for use by the media. Media professionals regularly make contact to interview spokespeople about these issues, and the prepared content is picked up by media outlets across the country. This public and media relations program was very successful in 2012:

- **311 articles** were published in **105 newspapers** (compared to 116 articles in 18 sources in 2011);

- **50 websites** featured content about the TitlePLUS program; and

- In total, this exposure generated

over 19 million impressions:

more than double the number in the previous year.

Exciting changes in 2013

Premium reductions effective February 26

TitlePLUS program administrators regularly review premiums to ensure that the program remains adequately funded while providing value for customers. The most recent such review led to the announcement of premium price reductions for certain transactions:

- purchases of new homes from builders (“New Home Direct”) under the standard purchase program; and
- purchases, of new homes under the Ontario New Home Program, which applies to particular new home developments.

For details about the price reductions, please visit titleplus.ca.

TitlePLUS applications now integrated with RealtiWeb® in Alberta

In March of this year, applying for TitlePLUS coverage in Alberta became simpler than ever with the introduction of the integration of the TitlePLUS application into the RealtiWeb real estate transaction management system from the LawyerDoneDeal web-based legal applications suite. This integration was the product of a substantial research, planning and programming effort. Now, Alberta subscribers can save time and minimize errors by entering many transaction details in one place. The information

can then be used to generate multiple documents within the RealtiWeb system. In the background, a TitlePLUS application is automatically assembled for submission by the lawyer.

Plans for a similar integration in Manitoba and Saskatchewan are underway, with launch dates for both those provinces expected before the end of 2013.

Supporting innovations to simplify refinancing

Another service innovation for the TitlePLUS program involved the streamlining of the application process for lender coverage for certain mortgage refinance transactions. LawyerDoneDeal’s Virtual Intermediary Program (“VIP”), in place since 2004, facilitates the exchange of instructions, information, and approvals between lenders and their lawyers. Work in 2012 paved the way for the creation of several new credit union programs that embed work in local law firms, retaining the benefit of a lawyer’s involvement.

For more details, please visit titleplus.ca, or call the Customer Service Centre at 1-800-410-1013 or 416-598-5899.

* RealtiWeb is a registered trademark of LawyerDoneDeal Corp. and is used under licence.