

Bar-related™ is better

Bar-related funds – which combine the best of title insurance with the talent, skill and knowledge of a real estate lawyer – always provide consumers with a superior product in the marketplace.

But the biggest obstacle to getting that message out is the bar itself.

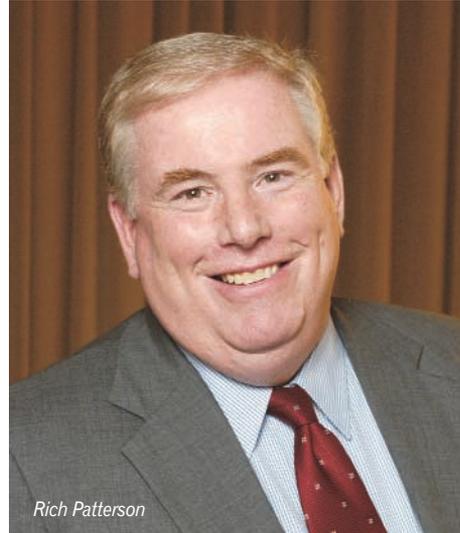
Rich Patterson, president of Connecticut Attorneys' Title Insurance Company (CATIC) and a keynote speaker at the ninth annual TitlePLUS Conference held in Toronto in mid-May, challenged lawyers to step up to the plate – to recognize and tout the value they bring to the table.

"We are the problem," he told the 200 lawyers and law clerks in the crowd. "We have allowed this fundamental disconnect between who provides value in a real estate transaction, and the price we charge." Research conducted in the United States points out that most homebuyers are anxious about the complexities they associate with buying a home, and need advice and assistance. Yet when asked what lawyers do in a real estate transaction, they replied: The paperwork.

"Do you ever tell your clients what you do?" he asked. "Do you explain all the steps you have taken to make the deal happen? Chances are you've become so focused on being competitive, all you're doing is exactly what your clients say you do – the paperwork."

Lawyers cannot win the low-cost game, he warned: "You'll end up marginalizing yourself, and losing to offshore services that can do a title search for less than \$20."

What homebuyers don't know is that (in the context of U.S. transactions) these offshore services don't also search probates, foreclosures etc, because their title insurers have opted to assume this



Rich Patterson

risk. Mr. Patterson contends that homebuyers would pay to have the extra searches done – but need to be better informed by lawyers about when and where it is appropriate to conduct these searches.

He reiterated that lawyers are the value providers in a real estate transaction. "You facilitate the transaction, you make the deal happen." Moreover, bar-related title insurers, such as his own firm and the TitlePLUS program in Canada, are committed to lawyers. "Our strength is in a community of people working for a common purpose: making sure that attorneys will be competitive."

"Bar-related funds are the lever, the alternative, the difference maker," he added. "We act differently, we influence the competition, we work to involve and expand the scope of services that lawyers provide to home buying clients."

Other types of title insurance companies, he warned lawyers, have no such goal. "They'll do whatever they need to create value for their shareholders."

One of the most visible and effective ways in which CATIC and other bar-related insurers in the U.S. have put their mandate to work is in advertising campaigns that forcefully promote the need to seek an attorney's advice when buying a home. CATIC's campaign, now in its second year, is not only influencing consumers,

but is also sparking change among attorneys. One young lawyer, who was using CATIC's campaign to help market himself in his community so impressed a homeowner that she called to let him know she would be using him – and no one else – when it came time to sell her home later that year.

CATIC, the largest title insurance underwriter in New England, also offers lenders, realtors and lawyers a myriad of other services, from seminars and training on real property issues to technology consultations (through an affiliate), to group purchasing discounts on office equipment and supplies. Next up on CATIC's agenda is to revisit the whole closing process: "We're going to turn the ordeal and anxiety that homeowners associate with the closing into a celebration with gifts, goodies, champagne – because celebrating is what resonates with people," said Mr. Patterson.

He encouraged lawyers in the audience to likewise think outside the box. "Look up more, define yourself beyond the four corners of the transaction. Move out of your comfort zone, talk up how your participation benefits all parties when you next meet with your banker, your clients, others in your community."

Moreover, real estate is a good way to make a living: "It's both a door opener to other business opportunities, and a source of a regular revenue stream."

Bar-related is a trademark of National Association of Bar-related Title Insurers (NABRTI)