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For Immediate Release

**Independent Analysis Finds Average Title Insurance Claim Cost
for Fraud and Forgery is \$143,000**
*Nearly 30% of Title Insurers' Losses and Claims Expenses Arise
from Issues Not Found in a Public Records Search*

WASHINGTON, D.C., May 20, 2024 — Fraud and forgery claims represent 21% of the total dollars spent by title insurers on claims expense and losses, with an average claim cost of over \$143,000, according to [a new independent analysis](#) conducted by Milliman, a premier global consulting and actuarial firm. Including fraud and forgery, the analysis found nearly 30% of title insurers' losses and claims expenses arose from title problems not discoverable from a public records search.

The study examined over 127,000 claims associated with policies issued between 2013 and 2022, identifying key sources of title insurance claim costs throughout the decade.

“The evidence is clear: expert title professionals do so much more than just scan public records or push a button to secure property rights,” said Diane Tomb, ALTA’s chief executive officer. “With the cost of fraud and forgery claims averaging more than twice the national average salary in the U.S., the risk of not purchasing a title insurance policy is far too high. This analysis highlights the significant risk exposure presented by any waiver of title insurance policies on loans purchased by the Government-Sponsored Enterprises or from any unregulated alternative product that does not provide comprehensive coverage against nearly a third of all claims.”

Unlike other lines of insurance, title professionals perform [significant curative work upfront](#) to resolve title defects before the transfer of property ownership rights — approximately 22 hours to close a standard transaction and 45 hours for more difficult transactions (which represent 36% of all transactions), according to a recent study by ndp | analytics. Additionally, when claims arise, title insurers are there to resolve those claims for the policyholder and defend their property interests. In 2022 alone, insurers paid out \$596 million in claims.

Other key findings from the analysis include:

- Fraud and forgery claims are among two of the top three leading causes of loss and are five times more costly (at over \$143,000 in total average claim costs) than all other claims, which average over \$26,000.
- Fraud and forgery claims are on the rise due to threats from cybercrime, rising from 19% of total reported claims in the category of basic risks between 2013 and 2020 to 44% of claims within that category in 2022 alone.
- For claims on Owner’s policies only, the average cost of fraud and forgery claims is more than \$100,000, while the average claim cost for all other claims is more than \$27,000.
- For claims on Loan policies only, the average cost of fraud and forgery claims is more than \$194,000, while the average claim cost for all other claims is more than \$23,000.

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About ALTA

The **American Land Title Association**, founded in 1907, is a national trade association representing over 6,000 title insurance companies, title and settlement agents, independent abstracters, title searchers and real estate attorneys.