

Draft date: 5/1/26

Virtual Meeting

TITLE INSURANCE (C) WORKING GROUP

Thursday, June 18, 2026

12:00 – 1:00 p.m. ET / 11:00 a.m. – 12:00 p.m. CT / 10:00 – 11:00 a.m. MT / 9:00 – 10:00 a.m. PT

ROLL CALL

Chuck Myers, Chair	Louisiana	Erin Summers	Nevada
Connie Van Slyke, Vice Chair	Nebraska	Laura Baca	New Mexico
Mark Fowler/Eric Wright	Alabama	Mike Causey	North Carolina
Alex Reno	Alaska	Blaine Bergstedt	North Dakota
Gio Espinosa	Arizona	Judith L. French/	Ohio
Angela King	District of Columbia	Timothy Schirmer	
Joe Hart/Michael Yaworsky	Florida	Glen Mulready	Oklahoma
Scott Saiki	Hawaii	Michael Humphreys	Pennsylvania
Dean L. Cameron	Idaho	Elizabeth Kelleher Dwyer	Rhode Island
Holly W. Lambert	Indiana	Michael Wise	South Carolina
Vicki Schmidt	Kansas	Larry D. Deiter	South Dakota
Maryam David	Maryland	Kaj Samson	Vermont
Grace Arnold	Minnesota	Angela Crooker/	Virginia
James E. Brown/	Montana	Scott A . White	
Troy Smith			

AGENDA

1. Adopt June 9, 2026, Meeting Minutes—*Chuck Myers (LA)* Attachment 1
2. Hear a Presentation on Recent Fraud Trends, a Framework to Lower Risk at Scale, and Use of ALTA 49 Endorsements —Tom Cronkright (CertifID) and Steve Gottheim (ALTA) Attachment 2
3. Any Other Matters —*Chuck Myers (LA)*

Draft: 6/16/26

Title Insurance (C) Working Group
Virtual Meeting
June 9, 2026

The Title Insurance (C) Working Group of the Property and Casualty Insurance (C) Committee met June 9, 2026. The following Working Group members participated: Chuck Myers, Chair (LA); Connie Van Slyke, Vice Chair (NE); Erick Wright (AL); Lori Dreaver Munn (AZ); Angela King (DC); Matt LeLong (ID); Jim Easton (IN); Craig Van Aalst (KS); Maryam David (MD); Jacqueline Obusek (NC); Blaine Bergstedt (ND); Laura Baca (NM); Timothy Schirmer (OH); Erin Wainner (OK); Michael McKenney (PA); Patrick Smock (RI); Will Davis (SC); Tony Dorschner (SD); Angela Crooker (VA); and Mary Block (VT).

1. Adopted its 2025 Fall National Meeting Minutes

McKenney made a motion, seconded by Van Aalst, to adopt the Working Group's Dec. 11, 2025, minutes (see *NAIC Proceedings – Fall 2025, Property and Casualty Insurance (C) Committee, Attachment Four*). The motion passed unanimously.

2. Received an Update on the Working Group's Work Plan

Myers reviewed the proposed work plan (Attachment XX). Items in blue are planned items, and those in orange are additions made in response to the April 24, 2026, email to the full distribution list requesting feedback on the work plan.

2026 NAIC Title Insurance Working Group Charges and Proposed Work Plan

1. **The Title Insurance (C) Working Group will:**

A. Discuss and/or monitor issues and developments affecting the title insurance industry, and provide support and expertise to other NAIC committees, task forces and/or working groups, or outside entities, as appropriate.

1. Hear updates and provide feedback, as requested, on the American Academy of Actuaries' (Academy) title-related research. *(Planned for June 9th meeting)*
2. Hear presentations on the title and housing market outlook from AM Best and First American. *(Planned)*
3. Hear an update from the Coalition Against Insurance Fraud *(Proposed by Michelle Rafeld)*
4. Hear a presentation on Milliman's fraud and forgery in claims and refinance transactions study. Fraud and forgery claims make up 40% of refinance costs and are seven times more expensive than typical title claims. *(Proposed by ALTA)*

B. Review and assist various regulatory bodies in combating fraudulent and/or unfair real estate settlement activities. Such efforts could include working with the Antifraud (D) Task Force and other NAIC committees, task forces, and/or working groups to combat mortgage fraud and mitigating title agent defalcations through the promotion of closing protection letters (CPLs) and other remedies.

1. Hear a presentation from CertifID and American Land Title Association (ALTA) on recent fraud trends and a framework to lower risk at scale. *(Planned for June 18th meeting)*
 2. Deliverable: Create a one-page consumer handout/alert guidance document on “How to avoid deed theft & seller impersonation during a closing” that states can post on their website and share with housing partners. *(Proposed)*
- C. Consult with the Consumer Financial Protection Bureau (CFPB) and other agencies responsible for information, education, and disclosure for mortgage lending, closing, and settlement services about the role of title insurance in the real estate transaction process.**
1. Real Estate Commissioner of Arizona and the Missouri Department of Insurance to discuss recent notary, seller impersonation, and deed fraud cases in their states. *(Proposed)*
 2. Hear a presentation from the Conference of State Bank Supervisors (CSBS) on updates, trends, and regulatory changes impacting mortgage lenders and mortgage loan originators? *(Proposed by Pat Smock (RI))*
 3. Obtain an update on the FHFA Title Acceptance Project, including program operation, number of mortgages involved, and program performance. *(Proposed by Birny Birnbaum)*
 4. Educational, fact-finding field trip (60-90 minutes) to a title agency near the NAIC National Meeting venue for a visit. *(Proposed for Fall NM in Dallas by Ron Blithenthal, Old Republic)*
 - ALTA would provide a bus to transport. Representatives from the agency would provide a tour of the title plant, a description of what they do from intake to policy issuance, and beyond to illustrate exactly what a title agency must do to issue a policy.
 - A similar trip was made about 15 years ago in Dallas, around 8 pm, to avoid conflict with the National Meeting. The trip was in addition to the regularly scheduled (then) Task Force meeting.
- D. Update the *Survey of State Laws Regarding Title Data and Title Matters report* and the *Title Insurance Consumer Shopping Tool Template* as needed.**
1. Continue Shopping Tool delivery modernization efforts by:
 - a. Deliverable: Creating a state posting package for the Shopping Tool that offers options on how states can embed the newly updated *Shopping Tool* content into their websites by repackaging the content into copy-and-paste formats for DOI websites. Potential items could include:
 - Web page modules (plain-language headings + short sections)
 - FAQ version (Q&A format using the same approved text)
 - 1-page printable consumer handout (quick guide)
 - Consumer-services call script (intake prompts + standard answers)
 - Short-form snippets (social posts/newsletter blurbs)
 - State customized insert (complaint contacts, license lookup, state-specific terminology placeholders) *(Proposed)*
 - b. Deliverable: Creating a podcast from the newly updated *Shopping Tool* (and possibly including it in the state posting package) *(Proposed)*
 2. Discuss state law amendments or adoptions impacting the business of title insurance. *(Proposed by Pat Smock, RI)*

E. Stay abreast of consumer issues and complaints submitted to states regarding title insurance. Consider regulatory best practices or standards related to consumer protection.

1. Roundtable of Working Group members sharing recent title insurance-related issues in their states. *(Proposed)*
2. Compile a list of federal RESPA and similar state enforcement actions and lawsuits involving title insurance from 2021 to present. *(Proposed by Birny Birnbaum)*
3. Compile a list of title-related affiliated business arrangements by type of non-title entity involved (i.e., law firm, home builder, lender, real estate agent, etc.) by year from 2021 to present. *(Proposed by Birny Birnbaum)*

F. Evaluate alternative title products and provide guidance to state insurance regulators as needed.

Question: If alternative title products include attorney title opinion letters, how is the evaluation to be completed? Guidance? Update of model 230? (Question posed by Pat Smock (RI))

3. Heard a Presentation on the Academy's Title-Related Research Findings

Steve Jackson (American Academy of Actuaries—Academy) presented findings from its ongoing research into the drivers of pre-policy issuance expenses in the title insurance industry. The study aims to identify the factors contributing to costs incurred before issuing title insurance policies, using these insights to guide further investigation.

Jackson said the Academy updated its data through 2024, continued to use Jan. 1, 2024, as the base year for dollar values, and analyzed 17 companies that reported data for most or all of the study period. He said the Academy is now examining company-year relationships in greater detail, has developed a labor cost index to account for differences in the cost of doing business across states, and has completed a multivariate regression analysis to isolate the effects of several factors on expenses per policy and expenses per insured amount.

Jackson said the research suggests that a higher share of commercial policies, higher labor costs, and a greater share of personnel expenses are associated with higher expenses, while greater use of contracted services is associated with lower expenses. He said the findings indicate that market conditions and company business models both affect expenses, but also emphasized that the available data is limited. He said additional data on affiliated and nonaffiliated agency operations, distinctions between residential and commercial expenses, and more detail on in-house versus contracted functions would improve future analysis. He said the Academy plans to issue an issue brief and technical appendix and continue reviewing available state data calls.

Birny Birnbaum (Center for Economic Justice—CEJ) said that, because losses account for only a small share of title insurance premiums, expense analysis is central to understanding the cost of title insurance. He commented that reported expenses may not necessarily reflect reasonable expenses and suggested several areas for further analysis, including affiliated business arrangements, automation and digitalization, economies of scale, profit margins, title plant costs, and comparisons of title commitment and closing costs across states. Jackson stated he would review Birnbaum's comments post-meeting.

Kenneth R. Trepeta (Real Estate Services Providers Council—RESPRO) emailed a response shortly following the meeting that Birnbaum seemed to confuse affiliated business arrangements with all arrangements under the Real Estate Settlement Procedures Act (RESPA) Section 8(c). Among RESPRO members, an affiliated relationship typically involves a title agency linked to a mortgage company, real estate firm, or builder, organized under Section 8(c)(4). Such agencies have agent-underwriter relationships per Section 8(c)(1)(B), receiving compensation for

services performed by major underwriters. While jurisdictional variations exist, affiliated title businesses generally offer the same products as unaffiliated agencies, with most state title insurance rates filed or set. Trepeta noted that title agents have taken on much more responsibility over the past 15 years, due to regulations such as the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) (including the Truth in Lending Act [TILA]-RESPA Integrated Disclosure Rule [TRID]), Financial Crimes Enforcement Network Geographic Targeting Orders (FinCEN GTOs), and rising concerns about wire fraud, deed theft, and other types of fraud. These changes have increased the cost of providing title insurance and closing services.

Steven Gottheim (American Land Title Association—ALTA) said the analysis was helpful, particularly the multivariate review. He said additional research would be useful, including comparisons between direct and agent operations and further review of trends in claims, fraud, and forgery. He also said inflation should remain part of the discussion when evaluating costs and premiums.

Davis said it would be useful to compare title insurers' actual profit margins with those reflected in rate filings. Birnbaum added that publicly traded insurers report quarterly profit margins that can be reviewed nationwide.

King asked whether the Academy had any information on closing protection letters, including how underwriters track actual losses and whether data might be available for states that allow multiple transaction parties to purchase the coverage. Jackson said the topic had been discussed previously and that he had not identified data to present yet, but was continuing to look into it.

Having no further business, the Title Insurance (C) Working Group adjourned.

Recent Fraud Trends and Lowering Risk

How new AI-enabled attack vectors threaten title companies and consumers and how to manage the risk at scale.

THE DAY EVERYTHING CHANGED

Spring 2015. Grand Rapids, Michigan.

After losing \$180,000 to the Black Axe in 2015, our mission to stop wire fraud began.

\$180,000

Wired to fraudsters

2 years

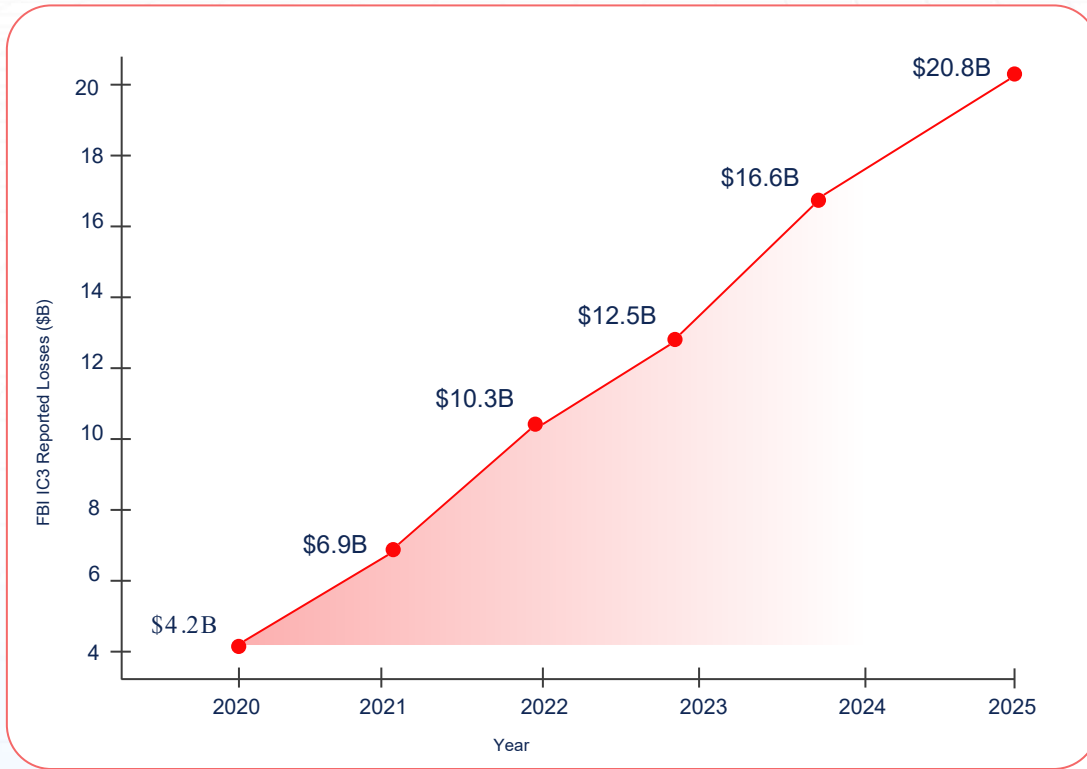
Civil litigation in Bell County

38

Federal convictions -
Black Axe



THE THREAT LANDSCAPE | 2026



Source: FBI IC3 Annual Report 2025

Source: CertifID State of Wire Fraud 2026 Report; FBI IC3 2025 Annual Report, HoxHunt 2025 Phishing Trends Report

\$20.8B

Total cybercrime losses in 2025
(26% YoY increase)

\$3B

BEC losses in 2025 across
24,768 incidents

1,760%

YoY increase in BEC attacks
since GenAI went mainstream

40%

of BEC phishing emails now
AI-generated

Threat Framework

From information to monetization...



Acquire

AI scrapes MLS listings, county ownership records, taxing authority data, social media profiles, and public court filings. A complete target dossier is assembled in seconds.

Tools used:

Zillow • Realtor.com • County GIS
Social media • LinkedIn •
Whitepages



Synthesize

Large language models structure raw OSINT data into a personalized attack brief: transaction timelines, party relationships, dollar amounts, communication patterns, and psychological vulnerabilities.

Tools used:

ChatGPT • Claude • Gemini
Custom fine-tuned fraud LLMs
(dark web)



Weaponize

The trifecta is deployed: deepfake video generated from LinkedIn photo, voice cloned from online audio, synthetic ID documents fabricated, spear-phishing emails crafted with perfect context.

Tools used:

ElevenLabs (voice) • Midjourney (ID)
• HeyGen (video) • GPT-4 (emails)



Execute

Attack is timed to closing urgency. Wire instructions sent through compromised email or spoofed domain. Fraudster available via cloned voice for callback confirmation. The victim has no reason to doubt.

Tools used:

Timed to wire deadline • Urgency
tactics • Voice callback confirmation
• Spoofed domain



FRAUD TYPES | Frequency and Losses

- Public MLS & county records give criminals a live "deal board" of active closings
- Median home price exceeds \$400K (high value, tight deadlines, multiple parties)
- Buyers, sellers, agents, lenders & title all communicate via email; providing several points of entry for a bad actor
- No unified cybersecurity standards exist across the title, legal, brokerage or lending industries



Funds Transfer Risk

UCC Article 4A is an authorization framework, not a fraud prevention mechanism. If a sender is tricked into voluntarily authorizing a payment order to a fraudster, the transfer is legally deemed "authorized" and the bank has no liability, leaving the sender with virtually no recourse. A sender must prove "actual notice" of a specific fraud in order to assert liability on the part of a bank.

Buyer Cash-to-close

30% of cases

● \$343,497 median loss

Mortgage Payoff Fraud

20% of cases

● \$328,125 median loss

Seller Proceeds Theft

12% of cases

● \$343,497 median loss

The Trifecta of Social Engineering

What it looks like when it's real - not theoretical.



Deepfake Video

Generated in minutes

From a single photo

Pennies per video

Criminals use a single image from your website or LinkedIn to generate a convincing deepfake video impersonating you in a wire instruction confirmation call.

MIT Media Lab 2025: Deepfake generation time dropped 94% in 24 months



Voice Cloning

3 seconds of audio

99% match accuracy

\$0 cost with free tools

With as little as 3 seconds of audio — from a YouTube video, podcast, or voicemail — AI can clone a voice convincingly enough to pass a phone verification call.

ElevenLabs, Resemble AI, and open -source tools are freely available



Synthetic Identity

AI-generated ID docs

Credit history fabricated

Passes basic KYC checks

AI can generate photorealistic driver's licenses, passports, and financial documents. Synthetic identity fraud is the fastest-growing form of financial crime.

Deloitte 2025: Synthetic ID fraud projected to reach \$23B in U.S. losses by 2030

Combined, these three tools create a fraud attempt that is indistinguishable from a legitimate transaction communication.





Voice cloning



Voice cloning





Inside the Underground Site Where 'Neural Networks' Churn Out Fake IDs

JOSEPH COX - FEB 5, 2024 AT 9:32 AM

An image of a fully generated
fake ID "posed" on a fake background.
Image: 404Media

Your verification request = their AI prompt



“Send me a photo of you holding your ID for verification.”



Fake IDs



Hologram **HOLOGRAM** NONE **METADA**

Male Female

Country: Argentina City: BUENOS AIRES Document type: Card Revision: 2012.01.01

First Name: John Middle Name: Middle Name Last Name: Wick

Birthday: 03/02/1980 Issue Date: 02/01/2015 Expiry Date: 02/01/2025

Doc. number: 70.330.675 CUIT: 20-70330675-7

Optional data: Optional data Optional data 2 (For ID card): Optional data 2 Of. ident: 004973626157701

Parameter for Argentina

Ejemplar: A

Address: "LUIS VILA 1050 - ROSARIO - ROSARIO - SANTA FE"
"ROSARIO" is a city.
"SANTA FE" is a province.
"LUIS VILA 1050" is the name of the street.

Photo: Ideal photo size: 668x884 pixels
RANDOM
UPLOAD

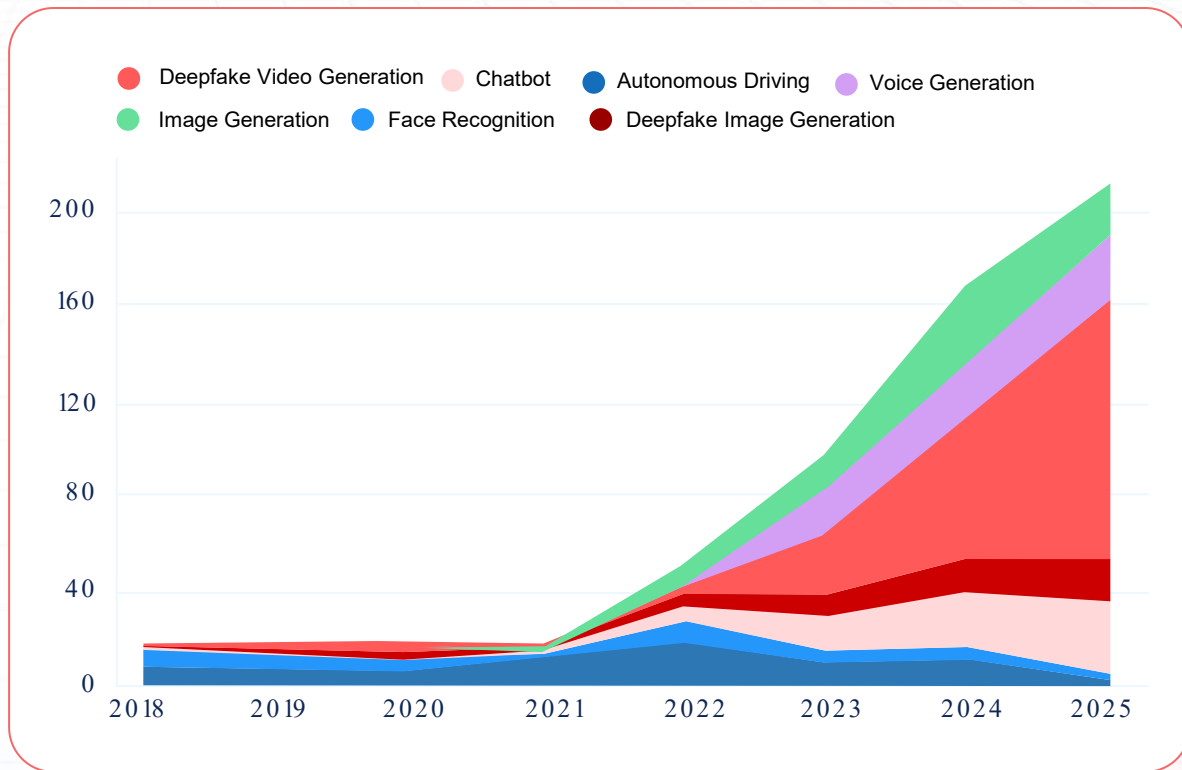
Signature:
RANDOM
Width
EDIT DRAW

Example:

A screenshot of the fake ID generation panel.
Image: 404Media

Incidents involving **deepfake video** now dominate

Deepfake - enabled fraud and social engineering attacks now outnumber all other AI incident types combined



Source: MIT AI Incident Tracker (as reported by Time Magazine)



Looking ahead: Next Gen Risks are in Development



Autonomous AI agents

End-to-end fraud campaigns executed without human involvement — from reconnaissance to wire interception



Undetectable synthetic identities

AI-generated personas with consistent history, credit records, and social media presence that pass all traditional checks



Multi-Party Infiltration

Next-gen attacks will compromise all parties simultaneously - coordinating a multi-front deception that is virtually impossible to catch through manual verification.



Fraud-as-a-Service

Turnkey attack toolkits become widely accessible, lowering the barrier to entry for sophisticated fraud schemes

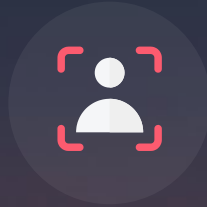
Foundational readiness — people, process, and technology — matters more than chasing individual tools.



AI-enabled deception in the transaction



Seller impersonation
with fake deed



Deep fake notary during
remote closing



Buyer conned via fake
agent voicemail

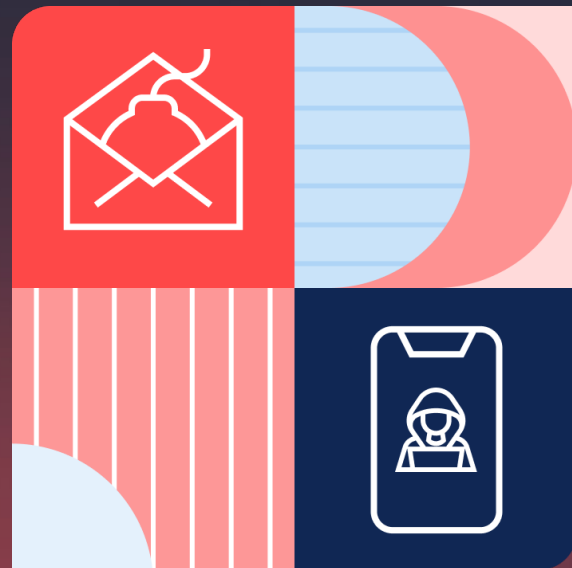


Mortgage payoff fraud
from callback spoofing



What we found in 2026

New data from **1,400 +** real estate
professionals and consumers



22%



of homebuyers received fraudulent or suspicious communications during their transaction

82% have personal or secondhand fraud experience

61% felt their funds could be at risk

46% delayed sending funds due to security concerns



Nearly **1 in 4** consumers are directly targeted.



Real estate is ground **zero**

The perfect combination of vulnerabilities



High-value transactions

Median home price exceeds \$400K. Commercial deals reach millions.



Time pressure

Tight closing deadlines create urgency that criminals exploit.



Multiple parties

Buyers, sellers, agents, lenders, title-endless impersonation targets.



Public information

Listings, records, and transaction details are publicly accessible.



Fragmented security

No unified standards. Practices vary wildly by state and company.



Title professionals see it every day

60%



say fraud is
increasing

Only 7% report decreases

73%



say attacks are more
sophisticated

AI-powered, contextual, convincing

58%



encounter suspicious
activity quarterly

It's not rare —it's routine



Consumers expect and value protection

They know the threat is real. They're asking what you're doing about it.

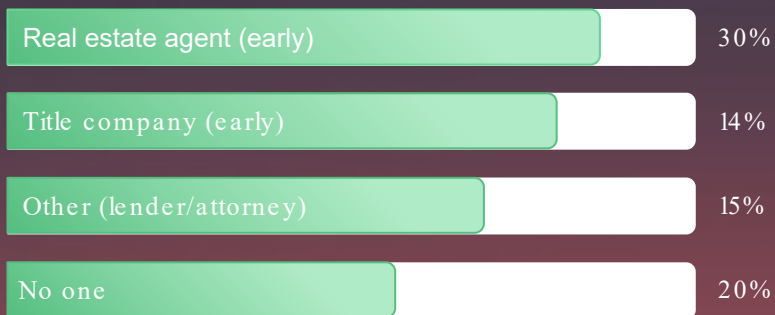


The education gap

1 in 5

consumers receive zero wire fraud education from any real estate professional

Who educates (when it happens)



But here's the opportunity:

74%

of consumers would be more likely to choose a firm that proactively educates them about fraud

Education isn't the top trust builder—
but the gap creates a clear competitive
opportunity for those willing to lead.



Consumers are not naive

82%

of consumers are aware
criminals use AI
to impersonate real estate
professionals

*They know AI is a weapon. They're
looking for protection, not just
awareness.*

AI awareness by age



What builds trust?

We asked consumers what would make them trust their real estate professionals more



Accountability (insurance, verification) beats education **3:1** as a trust builder



Fraud protection protects relationships

The risk

56%

unlikely to work with a company
again after a fraud incident
even if they got the funds returned

The opportunity

68%

would be strongly influenced by
guaranteed fraud protection

The gap between losing clients and winning them is narrower than you think.



Three Stages of Preparedness

The attributes separating the vulnerable from the protected.



OPTIMISM BIAS

"It won't happen to us"

- Relies on manual callbacks only
- No wire verification platform deployed.
- Email is the primary channel for wire instructions
- No security awareness simulation training
- No deepfake or voice clone detection protocol

Believes firm size, geography, or luck provides protection. Manual processes are the only defense. Typically discovered as a victim — not a proactive target of hardening.

HIGH RISK · UNPROTECTED



STALE SECURITY STACK

"We have protocols in place"

- Basic MFA deployed (not phishing-resistant)
- Wire platform used inconsistently across staff
- Annual security training — not AI-simulation based
- Perimeter defense only — no behavioral monitoring
- No consortium fraud intelligence network

Invested in security 3–5 years ago when those controls were best practice. The threat has evolved past the stack. At risk of a breach without knowing it — and without the tools to recover.

ELEVATED RISK · PARTIAL PROTECTION



THE AI-READY LEADER

"We blocked \$283M last year"

- Third party verified and insured wire instructions — every file
- Phishing-resistant MFA + behavioral biometrics
- AI-simulation training + monthly phishing drills
- SIEM/behavioral monitoring with autonomous alerts
- Consortium network — fraud intelligence shared in real time

Has deployed layered, AI-tier defenses across identity verification, wire security, email, and human readiness. Uses fraud prevention as a client trust signal and competitive differentiator.

LOW RISK · FULLY DEPLOYED



Protection requires a layered approach.

- Educate key internal and external audiences
- Maintain updated standard operating procedures
- Enable decision making and improve efficiency with technology
- Implement and test response planning to increase chances of recovery
- Understand your coverage and consider first party insurance to protect you from loss



Education



Procedures



Technology



Incident Response



Insurance

Where We Need Help



Uniform standards for
secure communications



ID verification for all
parties in a transaction



Fraud notice to
consumers



Ability to pass through
costs to the consumer





Deed Fraud

NAIC Title Insurance Work Group





The Landscape

Deed Fraud is on the Rise

**Crooks are stealing
land out from under
owners!**

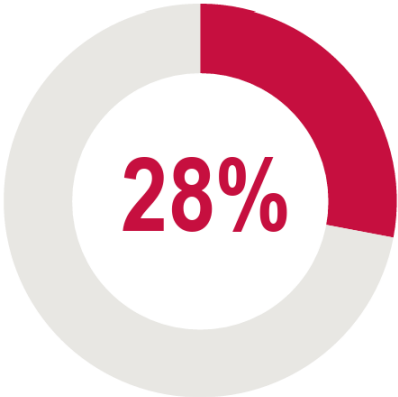


- November 2022 – HUD OIG Publishes fraud bulletin on deed fraud.
- May 2024 – FBI Newark publishes warning, “Fraudsters Are Stealing Land Out from Under Owners.”
- August 2024, FTC publishes consumer alert, “Home title lock insurance? Not a lock at all.”
- September 2024, US Secret Service updates real estate scam bulletin. <https://www.alta.org/file/Secret-Service-Seller-Impersonation-September-2024>
- April 2025 – FBI Boston Publishes warning, “FBI Boston Warns Quit Claim Deed Fraud is on the Rise”
- NYC publishes Deed Fraud alert - <https://www.nyc.gov/site/finance/property/deed-fraud.page>

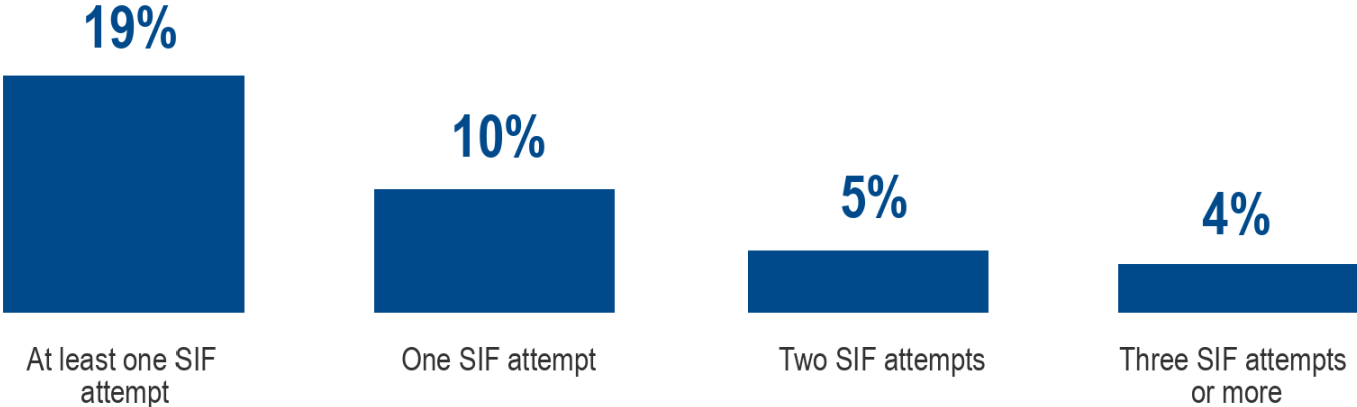
SELLER IMPERSONATION FRAUD SHOWS NO SIGNS OF SLOWING DOWN

Seller impersonation fraud (SIF) affects title insurance companies and consumers. This illegal activity can be difficult to detect and, if successful, may take months or even years to discover. In 2023, nearly 3 in 10 companies experienced at least one SIF attempt, whether successful or not. In May 2024, nearly 2 in 10 companies reported at least one attempt in the past month.

Companies with successful or unsuccessful SIF attempts in 2023



Companies with successful or unsuccessful SIF attempts in the past month



Real Estate Fraud is Escalating

FBI data shows larger losses, while stronger verification and faster response remain the best defense.

\$275M

Reported losses tied to real estate transactions in 2025, up from \$174M (58%) in 2024.

\$3.0B

Reported business email compromise losses across industries in 2025, up from \$2.8B in 2024.

191,561

Phishing and spoofing complaints in 2025, with \$216M in reported losses.

In real estate transactions...

Criminals often posing as title agents, lenders or real estate agents use spoofed or compromised email accounts, altered wire instructions and last-minute urgency to insert themselves into legitimate closings and redirect funds.

Source: FBI IC3 Internet Crime Report summary notes provided in IC3Report.docx (April 9, 2026)

Mortgage Fraud is Growing

Mortgage application fraud risk index



Up 6.1% in Q2 2025

compared to Q2 2024

1 in 116

Mortgage applications

estimated to have indications of fraud in Q2 2025

1 in 106

Purchase applications

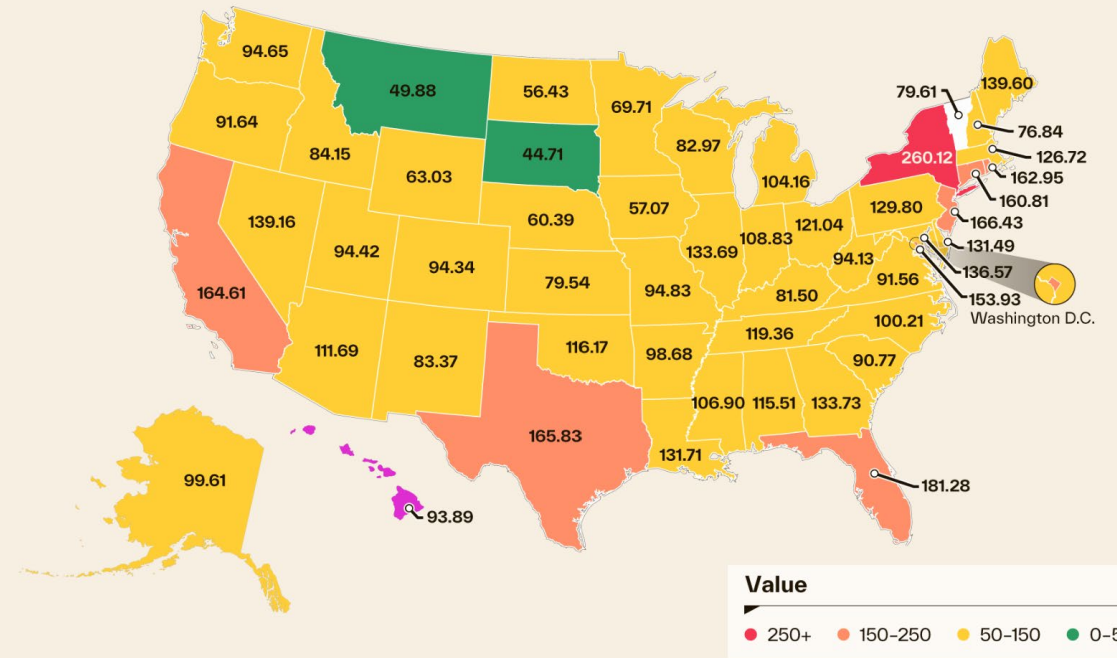
estimated to have indications of fraud in Q2 2025

1 in 142

Refinance applications

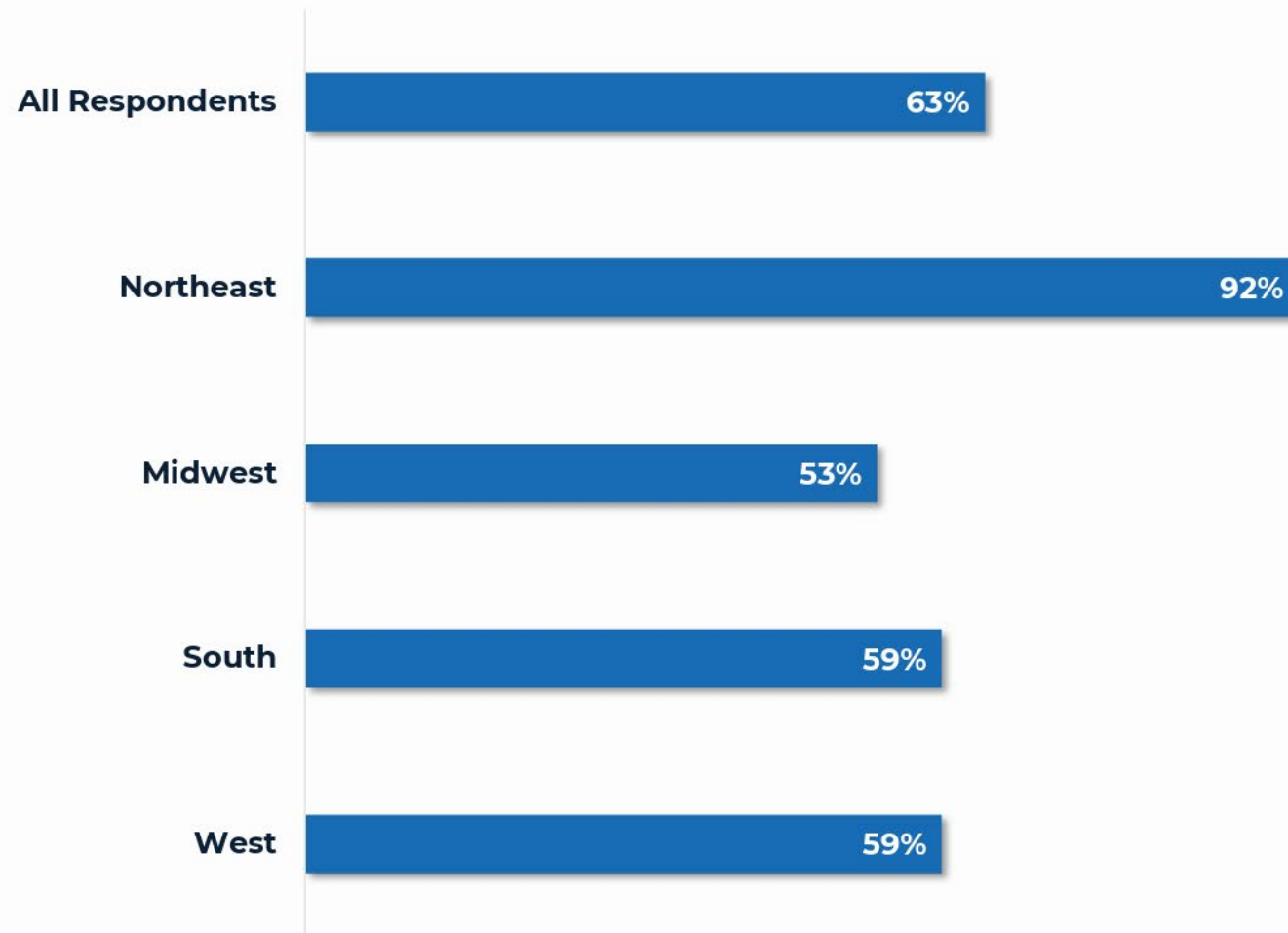
estimated to have indications of fraud in Q2 2025

Mortgage fraud risk across the U.S.



Data source: Cotality, 2025

Title/Deed Fraud in Past 12 Months

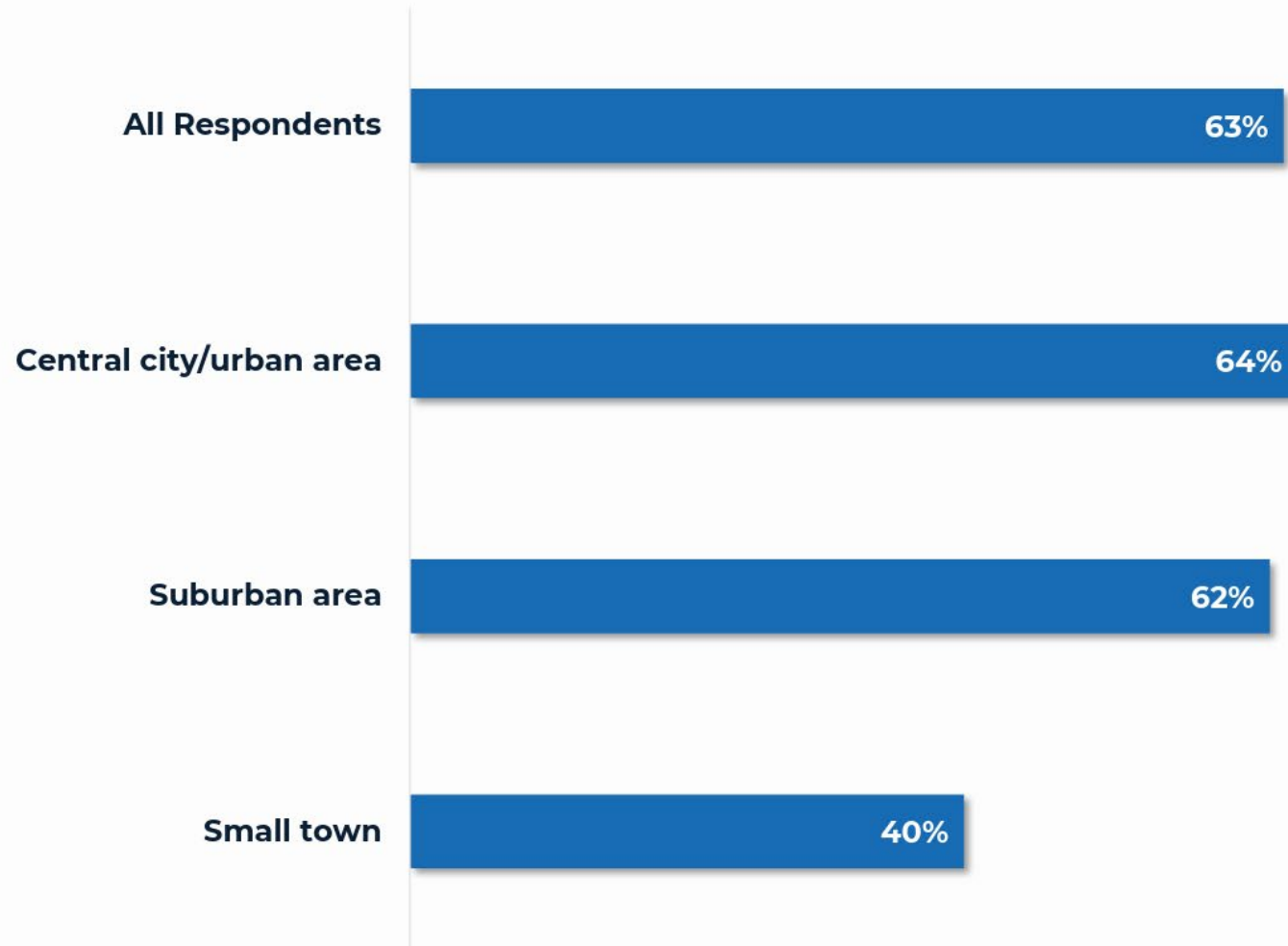


More than three in five respondents are aware of title fraud or deed theft that has occurred in their markets in just the past 12 months.

This is most prevalent among respondents in the Northeast, at 92 percent.

In the past 12 months, are you aware of any instances of title fraud or deed theft in your state or area?

Title/Deed Fraud by Area Type



The occurrence of these scams was more common among respondents in central cities and suburban areas.

In the past 12 months, are you aware of any instances of title fraud or deed theft in your state or area?

Why the Title Industry Focuses on Fraud

What is Title Insurance



(1) Issuing as insurer or offering to issue as insurer a title insurance policy;
(2) Transacting or proposing to transact by a title insurer any of the following activities when conducted or performed in contemplation of or in conjunction with the issuance of a title insurance policy:

- Soliciting or negotiating the issuance of a title insurance policy;
- Guaranteeing, warranting or otherwise insuring the correctness of title searches for all instruments affecting titles to real property, any interest in real property, cooperative units and proprietary leases and for all liens or charges affecting the same;
- Handling of escrows, settlements or closings;
- Executing title insurance policies;
- Effecting contracts of reinsurance; or
- Abstracting, searching or examining titles;

(3) Guaranteeing, warranting or insuring searches or examinations of title to real property or any interest in real property; or

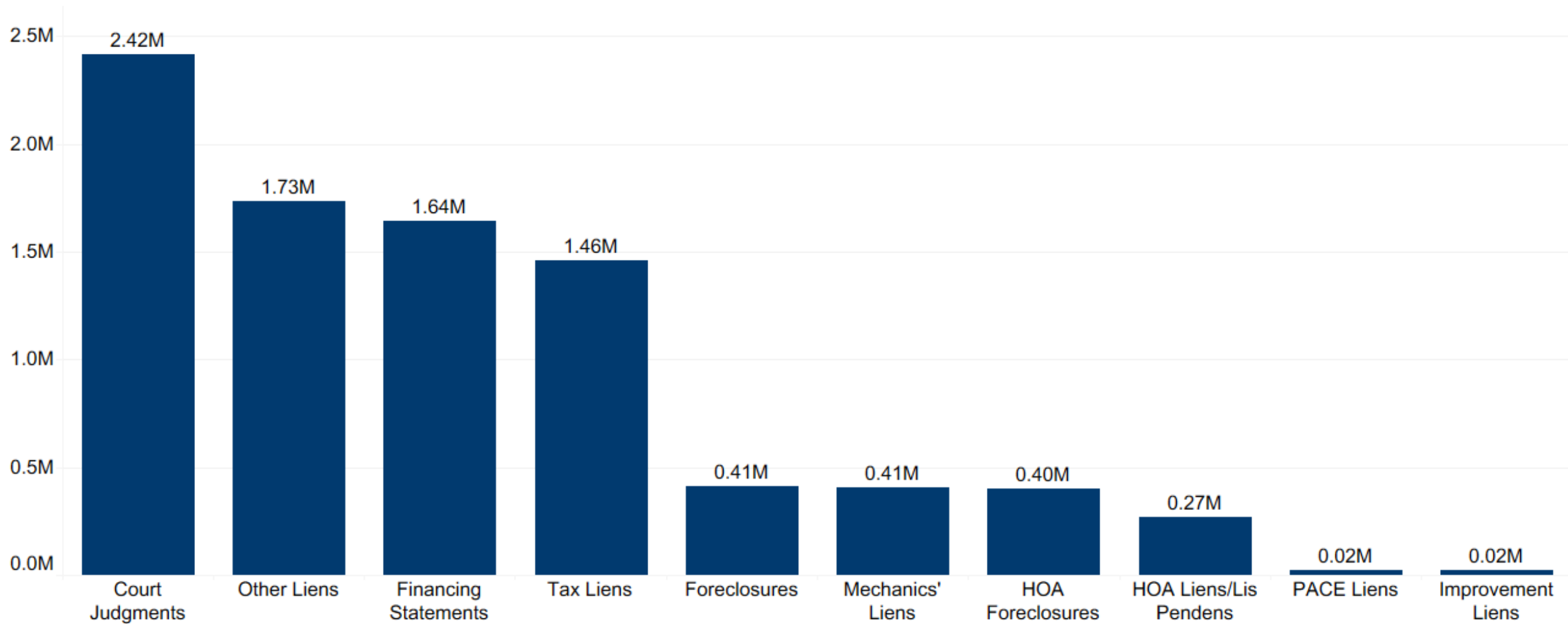
(4) Guaranteeing or warranting the status of title as to ownership of or liens on real property and personal property by any person other than the principals to the transaction; or

(5) Doing or proposing to do any business substantially equivalent to any of the activities listed in this subsection in a manner designed to evade the provisions of this Act.

Source: NAIC Model Title Insurer Act #628

Past is Prologue: Public Recordings Encumbering Clear Title

Non-Mortgage Liens and Other Recording Activity by Type (Millions): January 2025 to December 2025



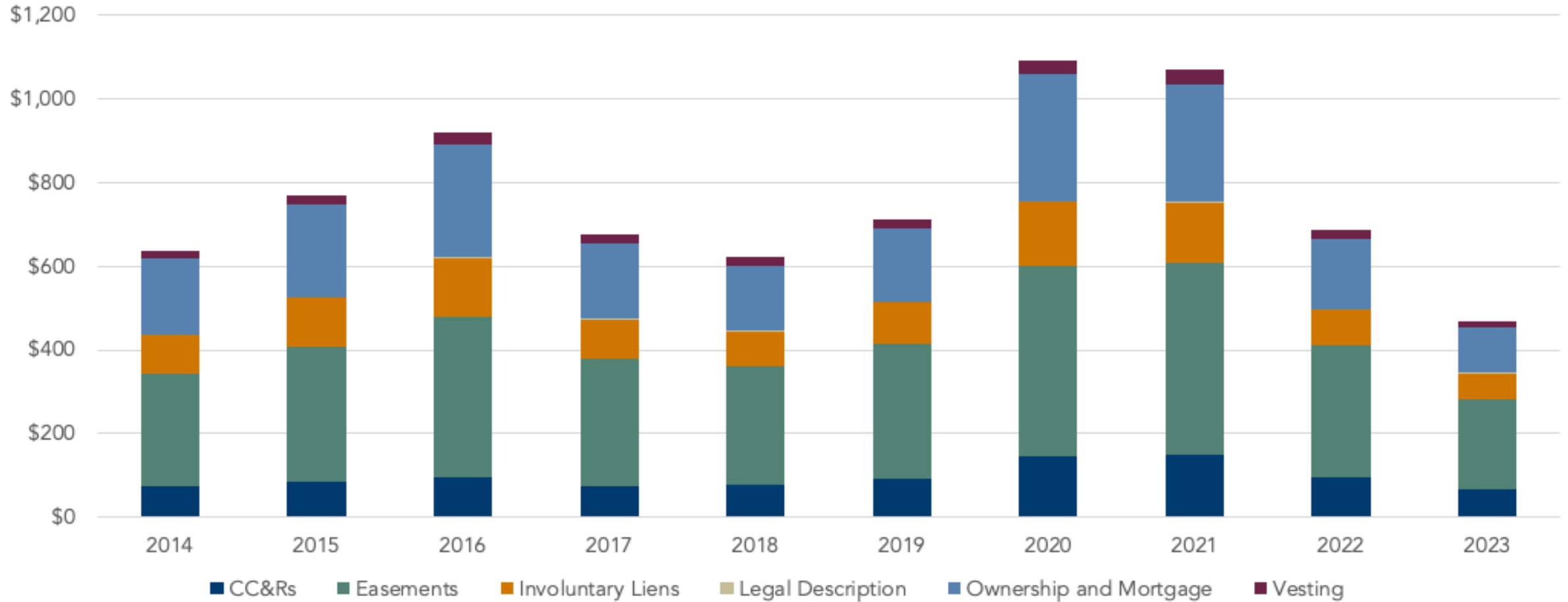
Source: First American Data and Analytics



What's the Value of All that Curative Work?

A Potential Tragedy of the Commons

What would happen if the title industry didn't do any curative work? Total Estimated Industry Exposure in \$Bn



Source: ALTA, First American, Sale and Refinance Transactions By Risk Type and Year (January 2014 - December 2023)



ALTA Owners Policy

- Standard coverage includes 10 basic covered risks.
 - Covered Risk 2(a)(i): a defect in the Title caused by forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation
- Coverage is for defects as of date of policy
 - Exception is gap coverage.
- Duty to defend and indemnify

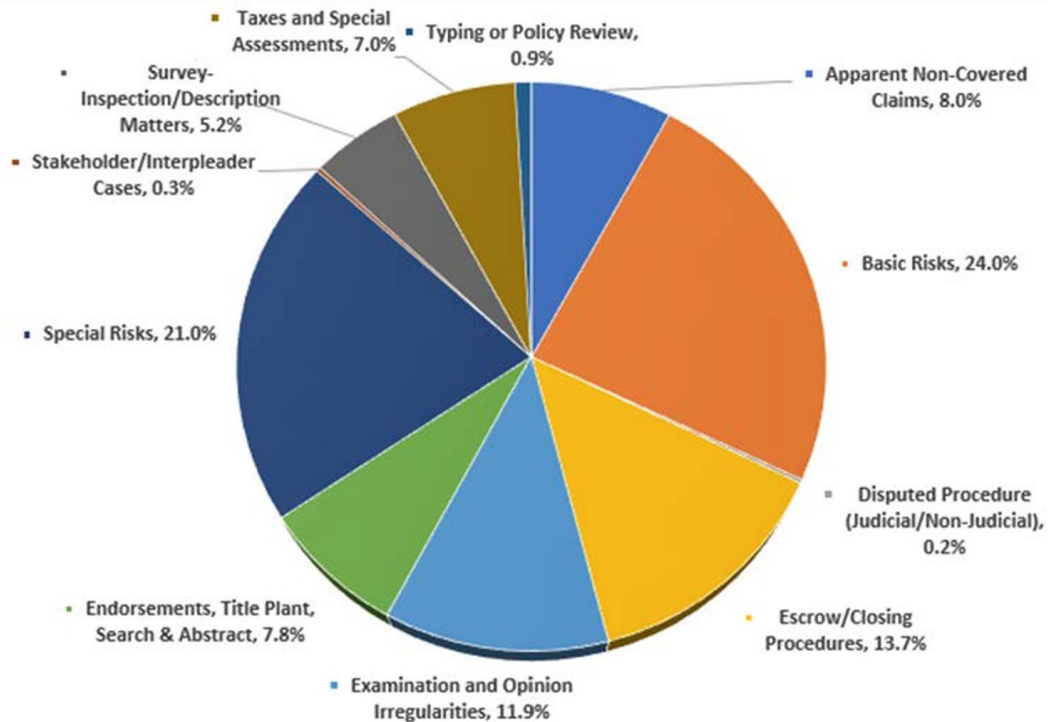
ALTA Homeowners Policy

- Enhanced coverage includes 33 covered risks.
 - Covered Risk 3: Someone else claims to have a right affecting Your Title because of forgery or impersonation.
- Coverage is primarily for defects as of date of policy
 - 4 covered risks have post policy coverage
- Duty to defend and indemnify
- Available in most but not all states

Analysis of Claims in the Land Title Insurance Industry

Published by Milliman & ALTA in May 2024 (and updated in 2025)

- Used a proprietary database of industry claims representing approximately 70% of industry market share
- Looked at ten-year period ending December 31, 2022 (updated to include 2023)
- Claims coded using ALTA Claims Codes
- Focus on claim frequency and claim severity

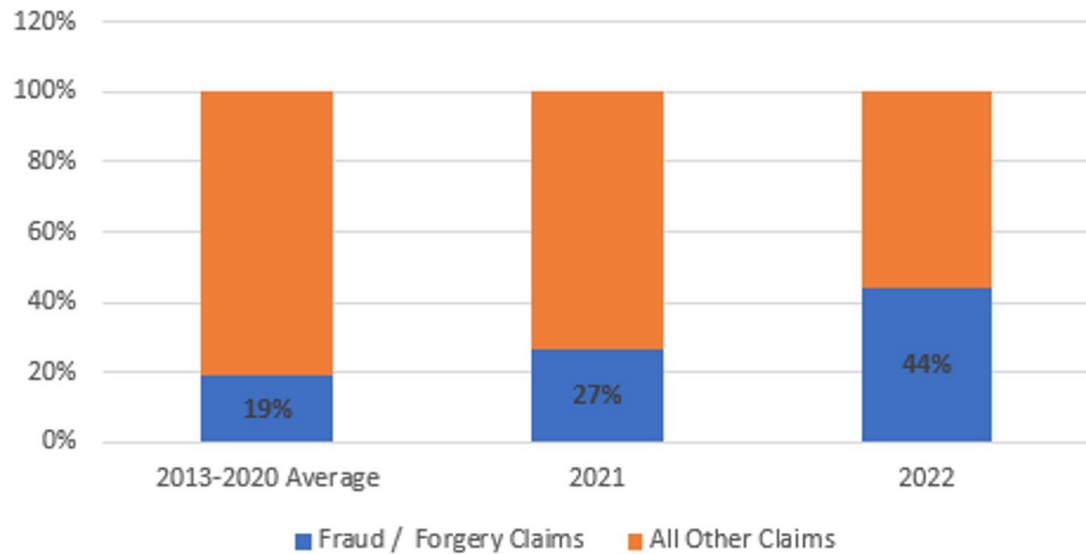


The Average Claim Cost for Fraud and Forgery is Over 5 Times That of Other Types of Claims

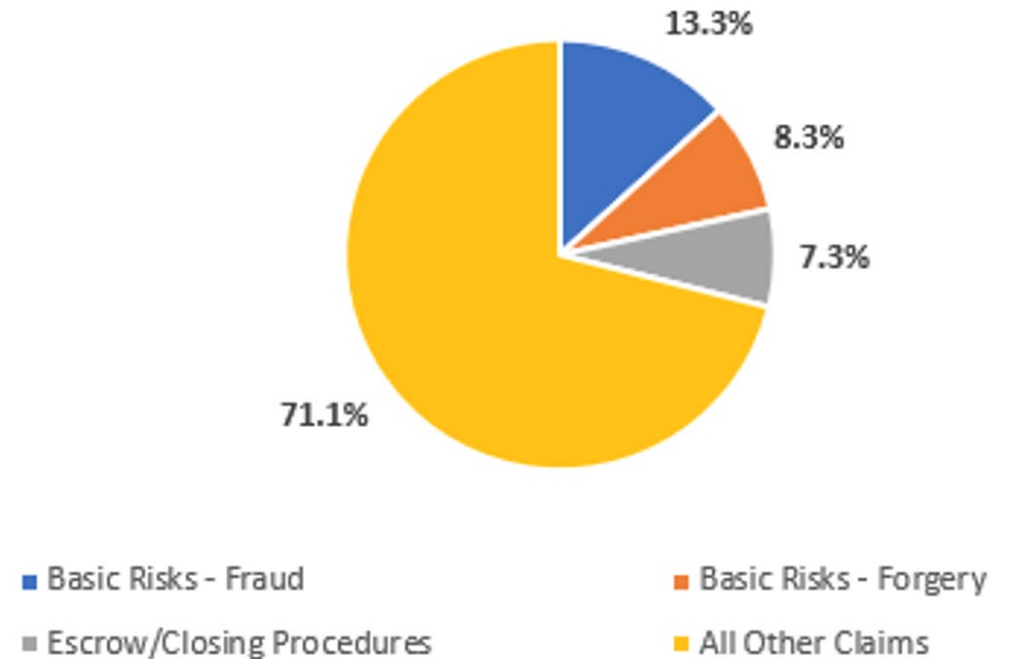
	Fraud/Forgery Claims	Other Claims
Average Loss Payments	\$ 106,932	\$ 17,934
Average Claim Expense	\$ 36,586	\$ 8,394
Average Total Claim Costs:	\$ 143,518	\$ 26,328

Fraud & Forgery claims are growing

Percentage of Claim Counts

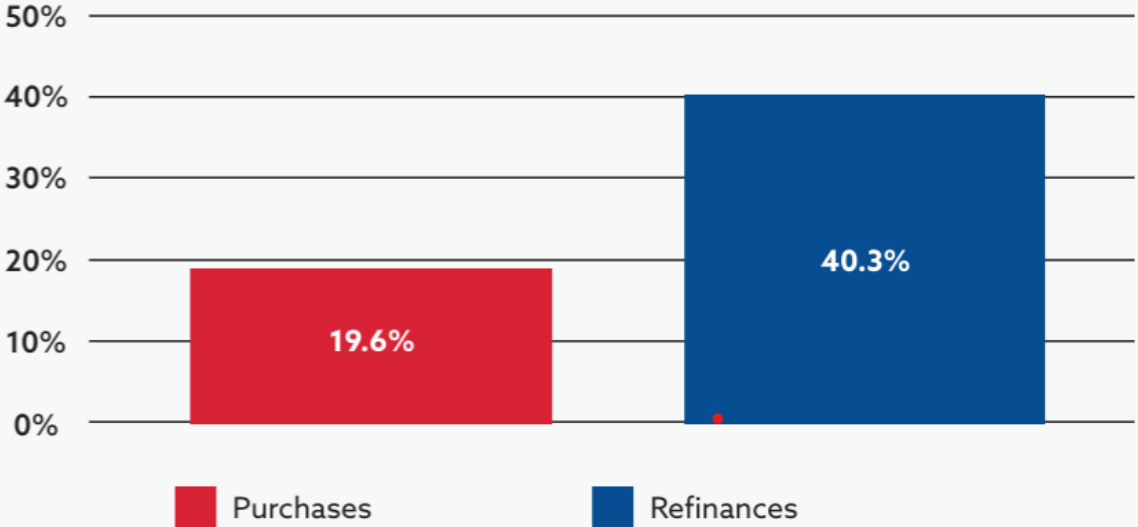


Claim Cost by Category

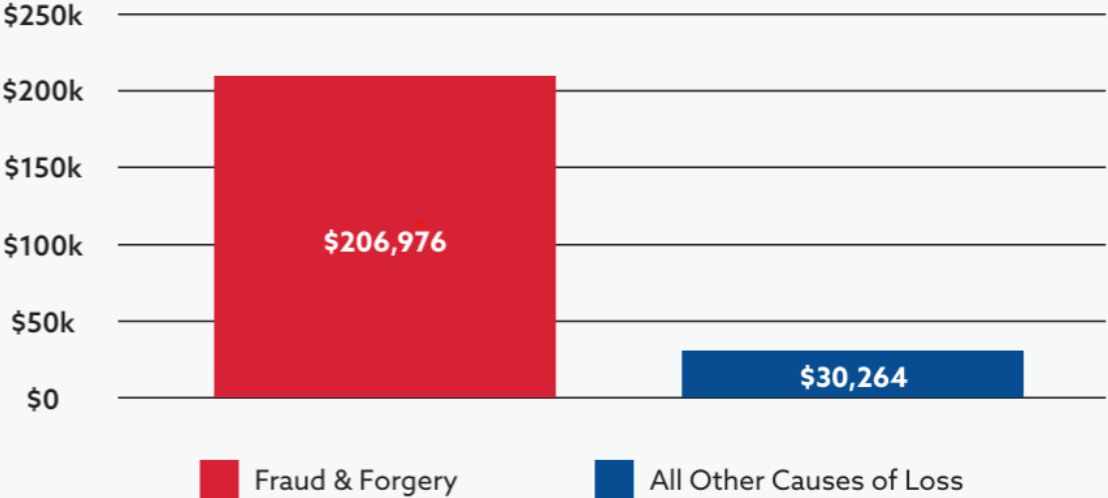


Fraud Claims are more costly in Refi...and larger percentage

Reported Loss Distribution Showing Fraud/Forgery as % of Total Claim Loss



Average Claim Cost: Fraud/Forgery vs. All Other Causes in Refinances



Industry Efforts

Education is the first line of defense

AARP **ALTA** **MBA** **NATIONAL ASSOCIATION OF REALTORS** **NATIONAL NOTARY ASSOCIATION** **PRIA**

WHAT IS DEED FRAUD?



THE TERM "DEED FRAUD" APPLIES TO A VARIETY OF CRIMES where a criminal seeks financial gain through various schemes involving real property. Most of these schemes involve impersonating the actual owner and recording fake or forged documents in local land records. In other cases, property owners are deceived or convinced to sign documents related to their property that are not in their best interests. These crimes result in legal costs, reduction in equity or property value or even property loss. According to the FTC, fraud losses in 2023 were over \$10 billion, with nearly \$2.7 billion coming from impostor scams. When it comes to real estate, there has been a significant uptick in Owner/Seller Impersonation Fraud. Criminals target the equity in property, so anyone can be a victim, including those in metro or rural areas. In addition to consumers, notaries and real estate professionals are impacted by these costly crimes. Our organizations are committed to providing education and offering solutions to combat these real estate scams.

What is Owner/Seller Impersonation Fraud?

Criminals are impersonating actual property owners to illegally sell real property the perpetrator does not own. Because criminals are targeting properties that are not owner-occupied or developed, it can take months or years for the actual property owner to discover the fraud. There are two victims that are immediately impacted when these fraudulent transactions occur - the unsuspecting buyer and the legitimate property owner.

What Can Be Done?

Fraud is constantly evolving, and while spontaneous changes to the real estate transfer system are not practical or sustainable, steps can be taken to help combat these crimes without unintentionally harming innocent American property holders.

PHOTO: GETTY IMAGES / SHUTTERSTOCK

*<https://www.ftc.gov/news-events/news-releases/2024/02/nationwide-fraud-losses-top-10-billion-2023-ftc-steps-offers-protect-public>

FRAUD ALERT **ALTA** American Land Title Association

Be a Savvy Consumer & Protect Yourself from Seller Impersonation Fraud

FRAUDSTERS ARE IMPERSONATING PROPERTY OWNERS to illegally sell residential property they do not own. Because fraudsters are targeting properties that are not owner occupied, it can take months or years for the actual property owner to discover the fraud. There are two victims that are immediately impacted when these fraudulent transactions occur: the unsuspecting buyer and the legitimate property owner.



Talk to a Title Professional or Real Estate Attorney

Savvy homebuyers should talk to a title professional or real estate attorney about available title insurance coverage options.

If you are a buyer, both the ALTA Owner's Policy and the ALTA Homeowner's Policy of Title Insurance provide coverages for pre-purchase forgery. However, only the ALTA Homeowner's Policy of Title Insurance provides protection for forgery occurring after the property purchase by providing protection for the owner against a third party fraudulently transferring their property.

With deed fraud on the rise, homebuyers may want to ensure their property is protected both as a purchaser and into the future. For post-policy forgery protection, ask a title professional or real estate attorney about the availability of the ALTA Homeowner's Policy of Title Insurance¹.

Think You're a Victim of Deed Fraud?

Don't delay, contact local and state law enforcement immediately, including the state bureau of investigation and state attorney general. Additionally, contact your title professional, real estate attorney and/or title insurance policy underwriter.



Is it Too Good to be True? Ask Questions!

From romance to real estate, if it sounds too good to be true, it very well might be! Ask questions if:

- The property is a vacant lot or occupied by someone other than the actual owner, such as investment property, vacation property or rental property
- The property is for sale below market value
- The seller wants a quick sale, generally in less than three weeks, and may not negotiate fees
- The seller will only communicate by phone or email and won't meet in person

Contact Your County Recorder About FREE Property Alert Notifications

Where available, complimentary property alert notifications offered by county recorder's offices inform homeowners when any document is filed pertaining to their property. Before paying for any property monitoring service, homeowners should contact their local county recorder's office to ask about signing up for **FREE** property alert notifications.


PHOTO: GETTY IMAGES / SHUTTERSTOCK

¹The ALTA Homeowner's Policy of Title Insurance is not approved by regulators in all states. ALTA Homeowner's Policy of Title Insurance is only available for improved one to four family residential property. Ask your title company if your property qualifies for this coverage.

alta.org

ALTA **NATIONAL NOTARY ASSOCIATION**

Tips for Checking State Identification Cards During an In-Person Notarization



- Use tools of the trade**
 - **Magnifying glass for microprint:** Many state driver's licenses and IDs have microprinting as a security feature, but you will need a magnifying glass to read it.
 - **UV light for holograms:** Many IDs have holographic images that you can see only with a "blue" (UV) light.
 - **ID Checking Guide:** Has pictures and information on drivers' licenses and state IDs of all 50 states. Use it to master your state's IDs and also to verify an out-of-state ID that is presented to you.
- Know your state's IDs**
 - Most notarizations you will perform will involve state residents who present your state's driver's license or state ID to verify their identity.
 - Know the versions of IDs that are currently valid in your state.
 - Real ID.
 - Non-Real ID.
 - Current but no longer issued versions.
 - Know the security features of your state IDs, including: Ghost photos, microprinting, holograms, laser perforations and tactile security features.
- Handle the ID**

Ask the signer to take the ID out of their wallet or from behind the "ID window" of their wallet so you can handle it. To check the physical attributes of an ID, you must inspect the ID up close and touch it.
- Compare the physical description, photo and signature**
 - The physical description of the person on the ID should reasonably match the appearance of the individual who appears before you.
 - While a person may change their hair color, length or style, certain facial elements such as the position of the eyes, eyebrows, ears, nose and chin usually will not change. Focus on these elements in the photo and the person before you.
 - Does the signature on the ID reasonably resemble the signature on the document being notarized and in the journal of notarial acts?

While handling the ID, check for tell-tale signs that the lamination is fake (ragged edges, peeling, air pockets underneath, creasing, etc.)

PHOTO: GETTY IMAGES / SHUTTERSTOCK

ALTA.ORG | NNA.ORG

Promote Deed Alert Systems

Register Names **Register Tax Map/Parcel ID Numbers**


Business* Yes No

At least 2 characters At least 2 characters Optional Optional (JR, SR, III)

[↶ Register](#)


Add as many name variations as necessary (up to 10 names) to ensure you receive the notifications as expected. Enter name variations with or without a middle name. For company names, enter the company name only (omit LLC, Inc, Corp, etc). Do not use punctuation. Please check [FAQ](#) for more commonly asked questions. Email Notification [Example](#).

Registered Names (0)

 Filter added names

Action	Last Name/ Org	First Name	Middle Name	Suffix	Business	Date Added ↓
Items per page: 5 - 0 of 0 < >						

Emailed Notifications History

[↻ Refresh](#)  Filter notifications history

ALTA 49 Endorsements

Background

- Post-policy forgery protection has been valuable coverage in the Homeowner Policy for more than 20 years.
- The HOP is not available in some states, not widely used in others, or not available for other reasons in some transactions.
- Odd and Ineffective Products Begin to Fill the Market by non insurance players

Coverage is comparable to HOP

- Two products
 - ALTA 49 ENDORSEMENT – FORGERY – NEW OWNER’S POLICY – RESIDENTIAL
 - ALTA 49.1 ENDORSEMENT — FORGERY — EXISTING OWNER’S POLICY — RESIDENTIAL
- Insuring clauses
 - 49: The Company insures against loss or damage sustained or incurred by the Insured by reason of a defect in the Title caused by a forgery of a deed or Mortgage recorded in the Public Records after the Date of Policy in which the Insured was impersonated as the grantor.
 - HOP: Someone else claims to have a right affecting Your Title because of forgery or impersonation.

ALTA 49 ENDORSEMENT – FORGERY – NEW OWNER’S POLICY – RESIDENTIAL

1. Any capitalized terms not otherwise defined in this endorsement incorporate by reference the definitions found in the 2021 ALTA Owner’s Policy of Title Insurance. Additionally, for purposes of this endorsement, the following terms mean:
 - a. “Estate Planning Entity”: a legal entity, a trust, or a trustee of a trust, if the entity or trust is established by a Natural Person for the purpose of planning the disposition of that person’s estate.
 - b. “Natural Person”: a human being, not a commercial or legal organization or entity.
2. This endorsement is valid only if:
 - a. The Land is improved with an existing one-to-four family residence;
 - b. Each party named in Item 1 of Schedule A is a Natural Person or Estate Planning Entity; and
 - c. It is issued at the same time as the ALTA Owner’s Policy, and not an ALTA Homeowner’s Policy of Title Insurance.
3. The Company insures against loss or damage sustained or incurred by the Insured by reason of a defect in the Title caused by a forgery of a deed or Mortgage recorded in the Public Records after the Date of Policy in which the Insured was impersonated as the grantor.
4. Solely for purposes of the coverage provided by this endorsement and not otherwise, the Company agrees that it will not assert the provisions of Exclusion 3.d. to deny liability for loss or damage.

ALTA 49.1 ENDORSEMENT — FORGERY — EXISTING OWNER’S POLICY — RESIDENTIAL

1. Any capitalized terms not otherwise defined in this endorsement incorporate by reference the definitions found in the 2021 ALTA Owner’s Policy of Title Insurance. Additionally, for purposes of this endorsement, the following terms mean:
 - a. “Date of Endorsement”: _____.
 - b. “Estate Planning Entity”: a legal entity, a trust, or a trustee of a trust, if the entity or trust is established by a Natural Person for the purpose of planning the disposition of that person’s estate.
 - c. “Natural Person”: a human being, not a commercial or legal organization or entity.
2. This endorsement is valid only if:
 - a. The Land is improved with an existing one-to-four family residence;
 - b. Each party named in Item 1 of Schedule A is a Natural Person or Estate Planning Entity; and
 - c. It is issued to the Company’s existing ALTA Owner’s Policy, and not an ALTA Homeowner’s Policy of Title Insurance.
3. The Company insures against loss or damage sustained or incurred by the Insured by reason of a defect in the Title caused by a forgery of a deed or Mortgage recorded in the Public Records after the Date of Endorsement in which the Insured was impersonated as the grantor.
4. Solely for purposes of the coverage provided by this endorsement and not otherwise:
 - a. The Company agrees that it will not assert the provisions of Exclusion 3.d. to deny liability for loss or damage; and
 - b. Exclusion 3.b. is revised and restated in full as follows:

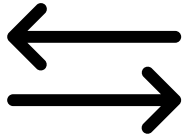
“not Known to the Company but Known to the Insured Claimant, and not disclosed in writing to the Company by the Insured Claimant prior to the Date of Endorsement;”.



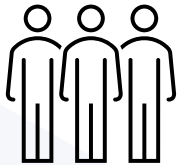
Critical Requirements



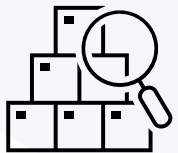
Only available for improved residential property



Usable with 2006 & 2021 ALTA policy forms



Owner must be natural person or estate planning entity



For 49.1: Companies have their own search requirements before issuing.

The background features three large, 3D-rendered geometric shapes. On the left is a light blue shape with a rounded top and a shadow. In the center is a light orange shape with a flat top and a shadow. On the right is a light pink shape with a curved top and a shadow. The shapes are layered, with the orange one in front of the blue one, and the pink one in front of the orange one. The text 'Thank You' is centered over these shapes.

Thank You

Discussion