



The difference between Title Agent and Title Underwriter can sometimes be confusing. A **Titel Agent** in Colorado, also known as a title company, is the business entity that provides escrow and title services related to the transfer of ownership and the issuance of title insurance. The title agent files the Closing Fees with the Division of Insurance. The rates may vary more from agency to agency on the escrow charges filed.

A **Title Underwriter** is the business entity that assumes the financial risk and payout of claims. The underwriter insures title to the property. The title insurance underwriter files the basic rates for title insurance with the Division of Insurance. The basic rate filings are very similar from underwriter to underwriter, however the re-issue rate discounts can vary.

When a claim arises, unless it's an escrow loss, it is covered or denied by the underwriter based on the policy of title insurance inclusions and exclusions. **The claim has to be submitted in writing.** One of the primary reasons there are low claims payouts is that the title agency does an excellent job of researching and clearing requirements so that there will be very little claims. The skill level of the agencies in avoiding claims does vary. Experience levels of staff, the search mechanisms they use and the level of risk tolerance they offer are key factors in an agent's claims numbers.

The title agency performs the title search to determine ownership history and to identify liens and encumbrances. They examine title and prepare the title commitment with requirements and exceptions necessary to insure the transaction. The agent provides the escrow services and issues the policy upon successful completion.

The underwriter assigns the assessment of risk guidelines, has a legal team to process claims, performs audits on the agents for compliance of practices and fees and provides other services to the agent.

A direct agent writes on their own underwriter paper. An independent agent has multiple underwriters to choose from. This can be an attractive option in the event one underwriter is unwilling to insure a particular transaction. It is also popular option if pricing needs to be looked at from different underwriters.



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