

Texas Department of Insurance

2025 Title Rate Report

September 2025



2025 Title Rate Report
by the
Texas Department of Insurance
September 2025

Summary of findings

Staff in the Property and Casualty Actuarial Office performed an actuarial analysis of title experience data, which provides a range of rate indications from -6.2% to -14.9%, with an average of -10.5%.

The actuarial analysis uses ratemaking methodology consistent with what was used in prior title rate hearings addressing Texas title insurance basic premium rates.

Staff produced a range of indications by reviewing experience from 2005 through 2024. For example, the 10-year period indicated a rate change of -11.1%, and the 20-year period indicated a rate change of -6.2%.

Texas title experience rate indications summary

Component	5-Year (2020– 2024)	10-Year (2015–2024)	15-Year (20010–2024)	20-Year (2005–2024)
(1) Loss and loss adjustment expense ratio	1.8%	1.9%	2.2%	2.4%
(2) Expense ratio	72.8%	76.1%	77.1%	80.0%
(3) Catastrophe loss provision	1.00%	1.00%	1.00%	1.00%
(4) Total	75.6%	79.0%	80.3%	83.4%
(5) Profit provision	11.1%	11.1%	11.1%	11.1%
(6) Indicated rate change	-14.9%	-11.1%	-9.7%	-6.2%

Statutory authority for title rates

The following subsections of [Texas Insurance Code Chapter 2703](#) address title rates:

- [Section 2703.151](#) requires that the commissioner fix and promulgate the premium rates to be charged by a title insurance company or by a title insurance agent for title insurance policies or for other forms prescribed or approved by the commissioner.
- [Section 2703.152](#) requires that title premium rates be reasonable to the public and nonconfiscatory to title insurance companies and title insurance agents. When fixing the rates, the Commissioner must consider all relevant income and expenses of title insurance companies and title insurance agents attributable to engaging in the business of title insurance in Texas.
- [Section 2703.153](#) requires all Texas title insurance underwriters and agents to submit the information necessary for fixing the rates, as prescribed by TDI. TDI collects this information by annually issuing two data calls—one for title underwriters and one for title agents.
- [Section 2703.206](#) stipulates that at any time, the commissioner may order a public hearing to consider adoption of premium rates and other matters relating to regulating the business of title insurance as the commissioner determines necessary or proper.

Data

In accordance with the statutes cited above, TDI annually collects Texas title industry experience. The data is collected from approximately 30 underwriters and more than 700 agents. The information is compiled and published annually in these two reports on [TDI's website](#).

- Texas Title Insurance Agent Experience Report Compilation (Agents Report)
- Texas Title Insurance Industry Experience Report Compilation (Underwriters Report)

These “experience reports” are the primary source of information used to develop title rate indications. TDI reviews the data in these reports for reasonableness but does not audit the data.

Beginning in 2022, there was a material difference (\$170M) in the agents’ premium reported in the Agents Report and the agents’ premium reported in the Underwriters Report. This causes the rate indications to be higher (less negative) in our analysis. In 2023 and 2024, the differences declined to \$86M and \$46M. See the appendix for more information.

Title rate and premium history

Texas law requires the commissioner to set title rates. Rates have declined over the years except for an increase in 2013.

The other changes that caused a rate impact effective September 1, 2019, include an increase to the lowest rate tier; an increase in the number of rate tiers for policies with face values of \$25M or more; and revised rate rules for the simultaneous issuance of policies (rate rule R-5), the refinance credit (rate rule R-8), and the time to receive a reduced premium for an owner's policy issued after a large construction project (rate rule R-20). See [Commissioner's Order 2019-5980](#).

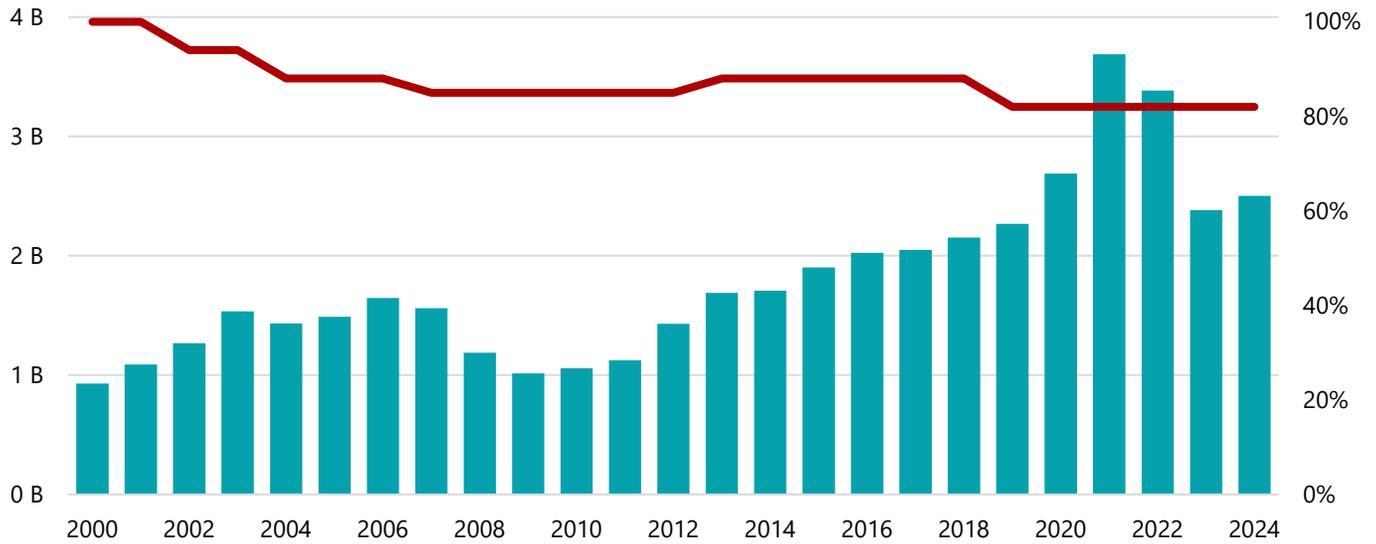
Historical title rate changes

Effective date	Change in basic rates	Other changes
8/1/1998	-3.0%	
11/1/2002	-6.0%	
7/1/2004	-6.5%	
2/1/2007	-3.2%	
5/1/2013	3.8%	
9/1/2019	-4.9%	-1.9%

From 2006 to 2009, the industry experienced a decline in premium due to the subprime mortgage crisis, from a high of \$1.65 billion to a low of \$1.01 billion. The industry began to recover in 2010. From 2013 to 2019, the industry continued growing, setting new premium records every year, reaching \$2.27 billion in 2019.

The pandemic fostered increased home prices and sales, high property values, and high demand for re-financing of homes. Since title premiums vary with property values and home sales, the industry saw significant growth in premium during this time, jumping to \$2.69 billion in 2020 and \$3.69 billion in 2021, and down slightly in 2022, to \$3.38 billion. 2023 saw a return to pre-pandemic premium levels, at \$2.30 billion. 2024 premium increased moderately from 2023, to \$2.45 billion.

Annual Texas title premium



Year	Premium	Basic rate index	Year	Premium	Basic rate index
2000	\$ 928,271,781	100%	2013	1,690,315,410	88%
2001	1,088,158,258	100%	2014	1,708,706,132	88%
2002	1,267,499,201	94%	2015	1,902,011,015	88%
2003	1,535,651,202	94%	2016	2,024,060,761	88%
2004	1,432,520,476	88%	2017	2,050,197,612	88%
2005	1,489,421,947	88%	2018	2,153,058,063	88%
2006	1,645,473,245	88%	2019	2,268,426,679	82%
2007	1,561,206,017	85%	2020	2,689,247,689	82%
2008	1,186,600,336	85%	2021	3,687,118,038	82%
2009	1,013,798,824	85%	2022	3,384,487,812	82%
2010	1,057,770,573	85%	2023	2,297,138,928	82%
2011	1,123,156,521	85%	2024	2,454,724,861	82%
2012	1,429,904,345	85%			

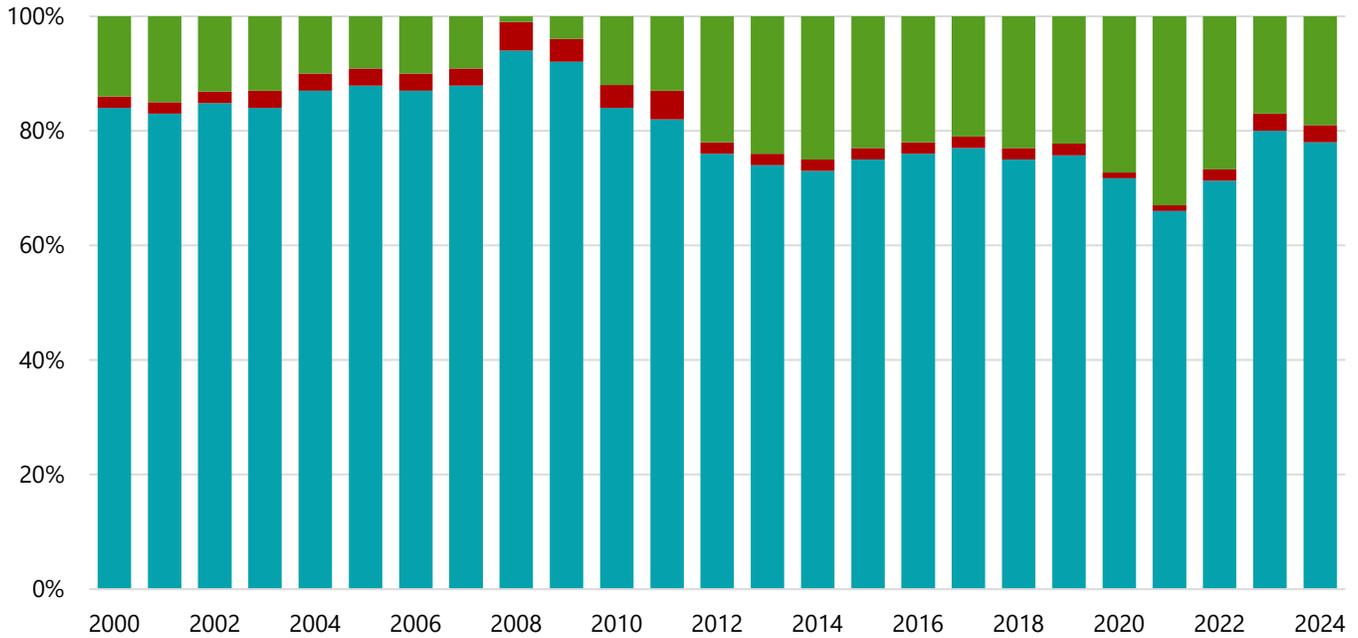
Source: Title experience reports through 2024. See Exhibit 2 – Page 1 in this report.

Background

Compared to most lines of insurance, losses for title insurance are very low. The bulk of the premium covers non-loss-related expenses. Because of this, the focus in title ratemaking is mostly on expenses, as well as the profit provision.

The key component of title rates, the expense ratio, declined from a high of 94% in 2008 to its lowest point in the experience period of 66% in 2021. In 2023, the expense ratio increased to 80%, the highest since 2011. The expense ratio improved to 78% in 2024. Profit reached its highest point in the experience period of 33% in 2021. 2023 and 2024 profits were 17% and 19%, respectively.

Texas title premium components



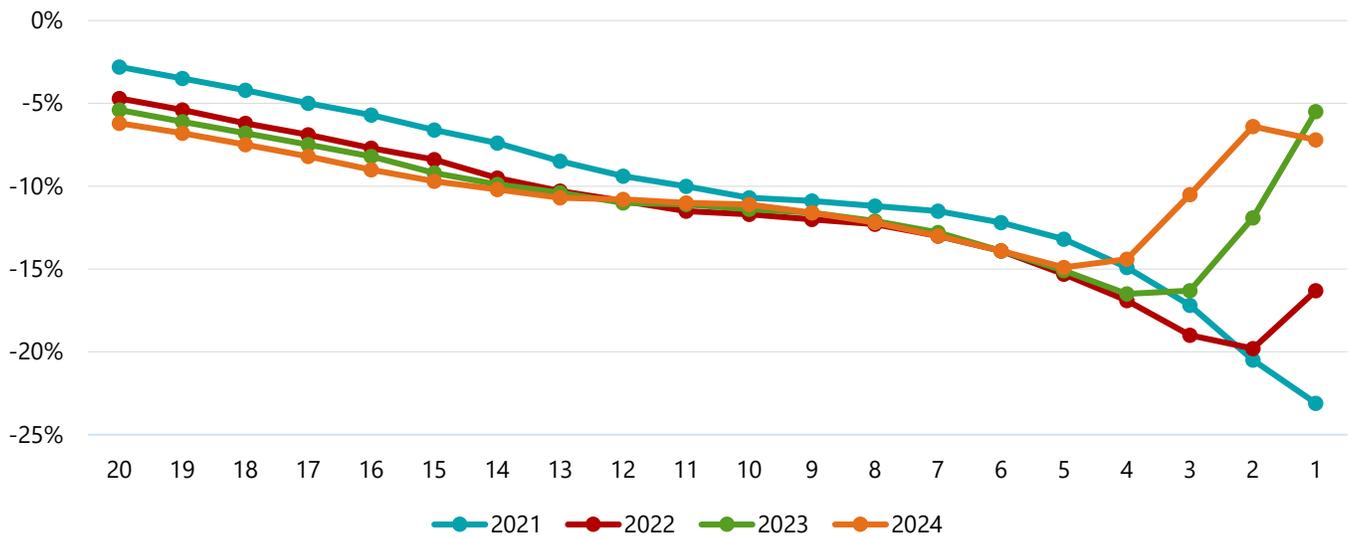
Year	Expense ratio	Loss and LAE ratio	Profit ratio	Year	Expense ratio	Loss and LAE ratio	Profit ratio
2000	84%	2%	14%	2013	74%	2%	24%
2001	83%	2%	15%	2014	73%	2%	25%
2002	84%	2%	13%	2015	75%	2%	23%
2003	84%	3%	13%	2016	76%	2%	22%
2004	87%	3%	10%	2017	77%	2%	21%
2005	87%	3%	9%	2018	75%	2%	23%
2006	87%	3%	10%	2019	75%	2%	22%
2007	87%	3%	9%	2020	71%	1%	27%
2008	94%	5%	1%	2021	66%	1%	33%
2009	93%	4%	4%	2022	72%	2%	27%
2010	84%	4%	12%	2023	80%	3%	17%
2011	82%	5%	13%	2024	78%	3%	19%
2012	76%	2%	22%				

Analysis

Results

Title ratemaking is sensitive to the experience period used in the rate analysis. For example, using 10 years of data ending December 31, 2024, the analysis shows that rates could be reduced by 11.1%, while using five years of data ending December 31, 2024, the analysis shows the rates can be reduced by 14.9%.

Texas title indicated rate change



Years	2021	2022	2023	2024
20	-2.8%	-4.7%	-5.4%	-6.2%
19	-3.5%	-5.4%	-6.1%	-6.8%
18	-4.2%	-6.2%	-6.8%	-7.5%
17	-5.0%	-6.9%	-7.5%	-8.2%
16	-5.7%	-7.7%	-8.2%	-9.0%
15	-6.6%	-8.4%	-9.2%	-9.7%
14	-7.4%	-9.5%	-9.9%	-10.2%
13	-8.5%	-10.3%	-10.4%	-10.7%
12	-9.4%	-10.9%	-11.0%	-10.8%
11	-10.0%	-11.5%	-11.1%	-11.0%

Years	2021	2022	2023	2024
10	-10.7%	-11.7%	-11.4%	-11.1%
9	-10.9%	-12.0%	-11.6%	-11.6%
8	-11.2%	-12.3%	-12.1%	-12.2%
7	-11.5%	-13.0%	-12.8%	-13.0%
6	-12.2%	-13.9%	-13.9%	-13.9%
5	-13.2%	-15.3%	-15.1%	-14.9%
4	-14.9%	-16.9%	-16.5%	-14.4%
3	-17.2%	-19.0%	-16.3%	-10.5%
2	-20.5%	-19.8%	-11.9%	-6.4%
1	-23.1%	-16.3%	-5.5%	-7.2%

Methodology

The components of title ratemaking include provisions for loss and LAE, expenses, catastrophe losses, and profit.

The formula for the rate indication is:

$$[(\text{Loss ratio} + \text{Expense ratio} + \text{Catastrophe loss provision}) / (1 - \text{Profit provision})] - 1$$

where:

- Loss ratio = (Losses and LAE) / Premium
- Expense ratio = Expenses / Premium
- Underwriting profit provision = Profit / Premium

TDI used the experience reports to compile historical losses, expenses, and premiums.

Losses and LAE are taken directly from the experience reports with no adjustments since they are reported at their projected ultimate value. Expenses are adjusted as described below.

Premium is adjusted and on-leveled using the parallelogram method. Premium adjustments are described below.

The loss ratio is the premium-weighted average of the annual loss ratios over the selected experience period. Similarly, the expense ratio is the premium-weighted average of the annual expense ratios over the selected experience period.

For example, as shown in Exhibit 1, using 10 years of historical data, the loss ratio is 1.94% and the expense ratio is 76.05%. Using 15 years, the loss ratio is 2.18% and the expense ratio is 77.07%.

The loss and expense ratios are the only components that vary with the selected experience period. The remaining components—catastrophe losses and profit—are static, as addressed below.

Adjustments

Determining rates for title policies requires identifying the revenue and expenses reported in the experience reports that are related to issuing a title policy. This is done by adjusting certain revenue and expense items.

The sum of all revenue in the experience reports is called gross title income. Premium comprises the bulk of gross title income. Pass-throughs¹ and industry transfer items² are removed from both premium and gross title income to get “adjusted premium” and “adjusted gross income.” The ratio of adjusted premium to adjusted gross income is called the “expense adjustment ratio.”

Pass-throughs and industry transfer items are also removed from expenses along with certain ineligible expenses to get “adjusted expenses.” Ineligible expenses include damages for bad faith suits, fines or penalties, donations or lobbying, and trade association fees.³ The expense adjustment ratio is applied to these adjusted expenses.

Title revenue comes not only from title insurance premiums, but also from furnishing abstracts of title, escrow fees, and other miscellaneous sources. Because expense data is not broken down by these same sources as revenue, the expense adjustment ratio must be applied to adjusted expenses to approximate the expenses associated only with premiums.

The one exception to the expense adjustments as described is that the “net change to unearned premium” is included in expenses at its reported value and not subject to the expense adjustment ratio.

Catastrophe loss provision

Actuarial Standard of Practice (ASOP) No. 39 defines a catastrophe as a relatively infrequent phenomenon that produces unusually large aggregate losses. It is difficult to find such phenomena in title insurance.

Despite the rarity of title catastrophes, previous Texas title ratemaking exercises have included a 1% catastrophe provision. For context, the 1% provision effectively provides for a contingency for the industry to absorb about 50% more than historical loss experience.

¹ Pass-throughs are payments made by title agents on behalf of insureds, which are then reimbursed as part of the closing transaction. Agents pay tax assessors for tax certificates proving the tax status of the property is clean. Agents also pay recording fees to county clerks for filing real estate transaction documentation.

² Industry transfer items are payments made between two title entities when one entity completes work for another. The paying entity records the expense, and the receiving entity records the revenue. The two industry transfer items are evidence and examination fees paid to other title entities, and closing fees paid to other title entities.

³ Damages for bad faith suits, fines or penalties, donations and lobbying, and trade association fees represent approximately 0.2% of on-level premium. For comparison, “other expenses,” which are expenses not captured by any other expense category, represent approximately 5.2% of on-level premium.

Staff's judgment is that the low level of losses, lack of available data, and the absence of materiality to rates warrants following precedent in selecting 1% as the catastrophe provision.

Profit provision

Total profit for a title company is made up of several components. In addition to profits made from issuing title policies, title agents and insurers make profits from escrow operations, investments, and other sources of income. Assumptions about the additional types of profit affect the level of profit required from underwriting.

TDI engaged an external actuarial consultant, FTI Consulting, Inc. (formerly Madison Consulting Group, Inc.), to derive a target underwriting profit. FTI's selected target underwriting profit is 11.1%.

Actuarial qualifications

Riley Hoover, ASA, MAAA, prepared this actuarial report. Mr. Hoover is an Associate of the Society of Actuaries and a member of the American Academy of Actuaries.

This actuarial report was prepared under the direction of Nicole Elliott, Chief Actuary, ACAS, MAAA. Ms. Elliott is an Associate of the Casualty Actuarial Society and a member of the American Academy of Actuaries. She meets the U.S. qualification standards of the American Academy of Actuaries to render the opinions in this report.

In addition, Dr. Mark Crawshaw, FCAS, MAAA, and John Andrew Seymour, ACAS, MAAA, of FTI Consulting, Inc., peer reviewed the actuarial analysis.

Exhibit 1

Texas title experience rate indications summary

Component	5-year (2020–2024)	10-year (2015–2024)	15-year (2010–2024)	20-year (2005–2024)
(1) Loss and loss adjustment expense ratio	1.83%	1.94%	2.18%	2.44%
(2) Expense ratio	72.82%	76.05%	77.07%	79.96%
(3) Catastrophe loss provision	1.00%	1.00%	1.00%	1.00%
(4) Total	75.65%	78.99%	80.26%	83.40%
(5) Profit provision	11.10%	11.10%	11.10%	11.10%
(6) Indicated rate change	-14.91%	-11.15%	-9.72%	-6.19%

Notes:

- (1) Exhibit 2, page 1, column (10)
- (2) Exhibit 2, page 1, column (9)
- (3) Judgment
- (4) = (1) + (2) + (3)
- (5) Provided by FTI Consulting, Inc.
- (6) = (4) / [1 - (5)] - 1

Exhibit 2 – Page 1

Summary of loss and expense ratios

Calendar Year	Adjusted Gross Title Income	Adjusted Retained Premium	On-Level Factor	On-Level Adjusted Retained Premium	Additional Unearned Premium	Adjusted Expense	Expense Included in Rate (7)=(5)+(6)*[(2)/(1)]	Loss & LAE (8)	On-Level Expense Ratio (9)=(7)/(4)	On-Level Loss & LAE Ratio (10)=(8)/(4)
	(1)	(2)	(3)	(4)=(2)*(3)	(5)	(6)		(8)	(9)=(7)/(4)	(10)=(8)/(4)
2001	1,130,461,715	1,088,158,258	0.824	896,507,159	7,045,092	952,595,491	923,993,129	18,335,658	103.1%	2.0%
2002	1,309,391,128	1,267,499,201	0.832	1,054,663,971	8,878,506	1,092,305,208	1,066,237,113	31,096,918	101.1%	2.9%
2003	1,583,352,486	1,535,651,202	0.876	1,345,942,262	20,833,908	1,308,125,968	1,289,550,275	40,870,014	95.8%	3.0%
2004	1,472,984,083	1,432,520,476	0.906	1,297,608,684	24,143,714	1,260,253,739	1,249,777,655	41,479,307	96.3%	3.2%
2005	1,531,594,630	1,489,421,947	0.937	1,396,175,408	18,484,082	1,318,117,756	1,300,307,272	49,224,084	93.1%	3.5%
2006	1,693,222,086	1,645,473,245	0.937	1,542,456,981	11,502,725	1,458,729,507	1,429,096,079	47,719,447	92.7%	3.1%
2007	1,613,149,613	1,561,206,017	0.966	1,507,475,396	12,551,994	1,396,594,295	1,364,175,799	51,647,343	90.5%	3.4%
2008	1,231,859,074	1,186,600,336	0.968	1,149,082,855	(4,283,461)	1,168,441,684	1,121,229,452	55,226,701	97.6%	4.8%
2009	1,062,325,934	1,013,798,824	0.968	981,744,916	(18,186,359)	1,002,378,417	938,403,354	35,639,008	95.6%	3.6%
2010	1,101,921,324	1,057,770,573	0.968	1,024,326,383	(11,471,165)	941,079,171	891,901,728	40,018,351	87.1%	3.9%
2011	1,159,122,044	1,123,156,521	0.968	1,087,644,983	(5,899,805)	959,720,307	924,042,065	58,064,437	85.0%	5.3%
2012	1,468,967,729	1,429,904,344	0.968	1,384,694,169	1,500,493	1,115,887,134	1,087,713,504	32,209,248	78.6%	2.3%
2013	1,746,679,174	1,690,315,410	0.944	1,596,320,736	10,090,537	1,280,082,525	1,248,865,952	39,906,444	78.2%	2.5%
2014	1,772,069,471	1,708,706,132	0.933	1,594,104,920	(22,601,407)	1,320,571,845	1,250,751,160	33,991,728	78.5%	2.1%
2015	1,960,377,130	1,902,011,015	0.933	1,774,445,038	23,228,575	1,455,372,166	1,435,270,089	34,869,621	80.9%	2.0%
2016	2,081,277,688	2,024,060,761	0.933	1,888,309,030	18,596,511	1,558,121,377	1,533,883,182	38,102,470	81.2%	2.0%
2017	2,111,486,189	2,050,197,611	0.933	1,912,692,907	13,272,179	1,609,525,915	1,576,079,553	39,006,846	82.4%	2.0%
2018	2,218,541,135	2,153,058,063	0.933	2,008,654,612	14,488,640	1,658,933,251	1,624,456,360	43,507,501	80.9%	2.2%
2019	2,337,278,585	2,268,426,680	0.954	2,164,387,163	15,956,856	1,747,256,302	1,711,742,218	50,651,643	79.1%	2.3%
2020	2,780,024,266	2,689,247,689	1.000	2,689,247,689	28,430,365	1,954,548,734	1,919,156,907	40,209,442	71.4%	1.5%
2021	3,818,427,267	3,687,118,037	1.000	3,687,118,037	62,837,349	2,469,359,552	2,447,279,819	35,813,839	66.4%	1.0%
2022	3,490,847,625	3,384,487,812	1.000	3,384,487,812	44,267,563	2,464,342,772	2,433,526,268	51,874,075	71.9%	1.5%
2023	2,359,953,961	2,297,138,928	1.000	2,297,138,928	(2,323,336)	1,900,379,908	1,847,474,049	58,625,316	80.4%	2.6%
2024	2,540,349,084	2,454,724,861	1.000	2,454,724,861	2,397,600	1,985,472,916	1,920,948,778	78,656,425	78.3%	3.2%
Number of years ending in 2024										
5	14,989,602,203	14,512,717,327	--	14,512,717,327	135,609,541	10,774,103,882	10,568,385,820	2,651,79,097	72.8%	1.8%
10	25,698,562,930	24,910,471,457	--	24,261,206,077	221,152,302	18,803,312,893	18,449,817,222	471,317,178	76.0%	1.9%
15	32,947,322,672	31,920,324,437	--	30,948,297,268	192,770,955	24,420,653,875	23,853,091,631	675,507,386	77.1%	2.2%
20	40,079,474,009	38,816,824,806	--	37,525,232,824	212,839,936	30,764,915,534	30,006,303,586	914,963,969	80.0%	2.4%

Notes

This page is the total of Exhibit 2, pages 2 (underwriters) and 3 (agents).

Exhibit 2 – Page 2

Summary of loss and expense ratios (underwriters only)

Calendar Year	Adjusted Gross Title Income	Adjusted Retained Premium	On-Level Factor	On-Level Adjusted Retained Premium	Additional Unearned Premium	Adjusted Expense	Expense Included in Rate	Loss & LAE	On-Level Expense Ratio	On-Level Loss & LAE Ratio
	(1)	(2)	(3)	(4)=(2)*(3)	(5)	(6)	(6)*[(2)/(1)]	(8)	(9)=(7)/(4)	(10)=(8)/(4)
2001	171,526,134	167,419,757	0.824	137,933,071	7,045,092	128,680,429	132,644,881	16,237,440	96.2%	11.8%
2002	191,174,671	187,197,154	0.832	155,763,486	8,878,506	128,995,440	135,190,110	29,527,514	86.8%	19.0%
2003	243,937,898	240,889,576	0.876	211,130,926	20,833,908	167,122,697	185,868,189	38,634,987	88.0%	18.3%
2004	262,158,664	258,223,493	0.906	233,904,543	24,143,714	183,913,564	205,296,617	38,220,749	87.8%	16.3%
2005	265,114,130	257,173,280	0.937	241,072,726	18,484,082	191,330,807	204,084,039	42,472,425	84.7%	17.6%
2006	281,783,217	276,653,461	0.937	259,333,334	11,502,725	216,203,274	223,770,101	43,538,927	86.3%	16.8%
2007	258,627,773	247,102,879	0.966	238,598,562	12,551,994	205,578,510	208,969,576	40,232,513	87.6%	16.9%
2008	196,583,181	188,949,375	0.968	182,975,245	(4,283,461)	177,873,497	166,682,773	38,765,768	91.1%	21.2%
2009	168,110,602	152,796,218	0.968	147,965,165	(18,186,359)	177,974,934	143,575,579	33,541,313	97.0%	22.7%
2010	175,230,880	161,134,619	0.968	156,039,926	(11,471,165)	136,606,252	114,145,943	37,811,090	73.2%	24.2%
2011	184,557,763	174,372,312	0.968	168,859,074	(5,899,805)	124,942,747	112,147,549	55,730,084	66.4%	33.0%
2012	223,846,557	215,105,633	0.968	208,304,504	1,500,493	136,180,587	132,363,401	28,028,121	63.5%	13.5%
2013	270,836,545	259,775,028	0.944	245,329,517	10,090,537	149,956,041	153,922,067	37,876,813	62.7%	15.4%
2014	286,066,639	277,631,736	0.933	259,011,253	(22,601,407)	147,448,742	120,499,691	31,586,849	46.5%	12.2%
2015	317,954,941	311,917,695	0.933	290,997,687	23,228,575	154,466,448	174,762,054	32,644,416	60.1%	11.2%
2016	340,009,926	333,691,419	0.933	311,311,069	18,596,511	159,078,831	174,719,132	33,120,651	56.1%	10.6%
2017	340,560,902	334,939,667	0.933	312,475,598	13,272,179	141,448,363	152,385,822	37,140,181	48.8%	11.9%
2018	370,102,734	364,170,519	0.933	339,745,966	14,488,640	156,911,097	168,884,678	39,293,988	49.7%	11.6%
2019	372,846,081	366,686,600	0.954	349,868,822	15,956,856	152,083,668	165,528,076	46,616,584	47.3%	13.3%
2020	430,297,408	424,517,833	1.000	424,517,833	28,430,365	170,837,076	196,972,829	34,949,060	46.4%	8.2%
2021	593,098,007	587,769,661	1.000	587,769,661	62,837,349	240,296,731	300,975,273	28,763,766	51.2%	4.9%
2022	589,877,250	586,575,827	1.000	586,575,827	44,267,563	257,062,423	299,891,260	46,107,098	51.1%	7.9%
2023	387,748,166	383,484,298	1.000	383,484,298	(2,323,336)	191,630,605	187,200,005	53,920,407	48.8%	14.1%
2024	416,801,281	410,714,186	1.000	410,714,186	2,397,600	215,951,817	215,195,590	73,964,840	52.4%	18.0%
Number of years ending in 2024										
5	2,417,822,112	2,393,061,805		2,393,061,805	135,609,541	1,075,778,652	1,200,234,957	237,705,171	50.2%	9.9%
10	4,159,296,696	4,104,467,705		3,997,460,948	221,152,302	1,839,767,059	2,036,514,718	426,520,991	50.9%	10.7%
15	5,299,835,080	5,192,487,033		5,035,005,223	192,770,955	2,534,901,428	2,669,593,370	617,553,948	53.0%	12.3%
20	6,470,053,983	6,315,162,246		6,104,950,254	212,839,936	3,503,862,450	3,616,675,438	816,104,894	59.2%	13.4%

Notes

2020-2024 data from [Texas Title Insurance Industry Experience Report Compilation](#), page 1.

See [earlier reports](#) for prior years.

(1) Gross Income⁴

(2) Income, line 3. Title premiums remitted to underwriters⁴

(5) Expenses, line 28. Net addition to unearned premium reserve

(6) Adjusted expense = Total operating expenses – (Expenses, lines 24-25, lines 28-32)

Line 24. Loss adjustment expenses incurred

Line 25. Losses incurred

Line 28. Net addition to unearned premium

Line 29. Damages paid for bad faith suits

⁴Although these values are not adjusted, the column heading is the same as the agents exhibit for consistency.

- Line 30. Fines or penalties for violations of law
- Line 31. Donations/lobbying
- Line 32. Trade associations
- (8) Sum of Expenses, lines 24 and 25

Exhibit 2 – Page 3

Summary of loss and expense ratios (agents only)

Calendar Year	Adjusted Gross Title Income	Adjusted Retained Premium	On-Level Factor	On-Level Adjusted Retained Premium	Additional Unearned Premium	Adjusted Expense	Expense Included in Rate	Loss & LAE	On-Level Expense Ratio	On-Level Loss & LAE Ratio
	(1)	(2)	(3)	(4)=(2)*(3)	(5)	(6)	(7)=(5)+ (6)*[(2)/(1)]	(8)	(9)= (7)/(4)	(10)= (8)/(4)
2001	958,935,581	920,738,501	0.824	758,574,088	-	823,915,062	791,096,226	2,098,217	104.3%	0.3%
2002	1,118,216,457	1,080,302,047	0.832	898,900,485	-	963,309,768	930,647,647	1,569,404	103.5%	0.2%
2003	1,339,414,588	1,294,761,626	0.876	1,134,811,336	-	1,141,003,271	1,102,964,880	2,235,027	97.2%	0.2%
2004	1,210,825,419	1,174,296,983	0.906	1,063,704,142	-	1,076,340,175	1,043,868,918	3,258,558	98.1%	0.3%
2005	1,266,480,500	1,232,248,667	0.937	1,155,102,682	-	1,126,786,949	1,096,330,907	6,751,659	94.9%	0.6%
2006	1,411,438,869	1,368,819,784	0.937	1,283,123,647	-	1,242,526,233	1,205,007,547	4,180,520	93.9%	0.3%
2007	1,354,521,840	1,314,103,138	0.966	1,268,876,834	-	1,191,015,785	1,155,476,077	11,414,830	91.1%	0.9%
2008	1,035,275,893	997,650,961	0.968	966,107,610	-	990,568,187	954,568,063	16,460,933	98.8%	1.7%
2009	894,215,332	861,002,606	0.968	833,779,751	-	824,403,483	793,783,692	2,097,695	95.2%	0.3%
2010	926,690,444	896,635,954	0.968	868,286,457	-	804,472,919	778,382,196	2,207,261	89.6%	0.3%
2011	974,564,281	948,784,209	0.968	918,785,909	-	834,777,560	812,695,255	2,334,353	88.5%	0.3%
2012	1,245,121,172	1,214,798,711	0.968	1,176,389,665	-	979,706,547	955,847,734	4,181,127	81.3%	0.4%
2013	1,475,842,629	1,430,540,382	0.944	1,350,991,219	-	1,130,126,484	1,095,436,289	2,029,631	81.1%	0.2%
2014	1,486,002,832	1,431,074,396	0.933	1,335,093,667	-	1,173,123,103	1,129,759,917	2,404,879	84.6%	0.2%
2015	1,642,422,189	1,590,093,320	0.933	1,483,447,351	-	1,300,905,718	1,259,457,834	2,225,205	84.9%	0.2%
2016	1,741,267,762	1,690,369,342	0.933	1,576,997,961	-	1,399,042,546	1,358,147,598	4,981,819	86.1%	0.3%
2017	1,770,925,287	1,715,257,944	0.933	1,600,217,309	-	1,468,077,552	1,421,929,938	1,866,665	88.9%	0.1%
2018	1,848,438,401	1,788,887,544	0.933	1,668,908,645	-	1,502,022,154	1,453,631,736	4,213,513	87.1%	0.3%
2019	1,964,432,504	1,901,740,080	0.954	1,814,518,341	-	1,595,172,634	1,544,264,680	4,035,059	85.1%	0.2%
2020	2,349,726,858	2,264,729,856	1.000	2,264,729,856	-	1,783,711,658	1,719,189,204	5,260,382	75.9%	0.2%
2021	3,225,329,260	3,099,348,376	1.000	3,099,348,376	-	2,229,062,821	2,141,995,957	7,050,073	69.1%	0.2%
2022	2,900,970,375	2,797,911,985	1.000	2,797,911,985	-	2,207,280,349	2,128,865,636	5,766,977	76.1%	0.2%
2023	1,972,205,795	1,913,654,630	1.000	1,913,654,630	-	1,708,749,303	1,658,019,677	4,704,909	86.6%	0.2%
2024	2,123,547,803	2,044,010,675	1.000	2,044,010,675	-	1,769,521,099	1,703,243,982	4,691,585	83.3%	0.2%
Number of years ending in 2024										
5	12,571,780,091	12,119,655,522		12,119,655,522		9,698,325,230	9,351,314,456	27,473,926	77.2%	0.2%
10	21,539,266,234	20,806,003,752		20,263,745,129		16,963,545,834	16,388,746,242	44,796,187	80.9%	0.2%
15	27,647,487,592	26,727,837,404		25,913,292,046		21,885,752,447	21,160,867,632	57,953,438	81.7%	0.2%
20	33,609,420,026	32,501,662,560		31,420,282,570		27,261,053,084	26,366,033,918	98,859,075	83.9%	0.3%

Notes

2024 data from [Texas Title Insurance Agent Experience Report Compilation](#), page i, total of all columns.

See [earlier reports](#) for prior years.

(1) Adjusted gross title income = Line 14 – (line 6 + line 7 + line 22 + line 24)

Line 14. Total title (income)

Line 6. Tax certificates

Line 7. Recording fees

Line 22. E/E-other agents/uw (examination and evidence fees paid to other title entities)

Line 24. C/F-other agents/uw (closing fees paid to other title entities)

(2) Adjusted retained premium = Line 3 + line 4 + line 5 – line 22 – line 24

Line 3. Retained title premiums

Line 4. Examination and evidence fees

Line 5. Fees received for closing

Line 22. E/E-other agents/uw (examination and evidence fees paid to other title entities)

- Line 24. C/F-other agents/uw (closing fees paid to other title entities)
- (6) Adjusted expense = Line 54 – (line 22 + line 24) – (lines 45-47) – (lines 49-52)
- Line 54. Total title (expenses)
- Line 22. E/E-other agents/uw (examination and evidence fees paid to other title entities)
- Line 24. C/F-other agents/uw (closing fees paid to other title entities)
- Line 45. Loss and loss adjustment
- Line 46. Tax certificates paid
- Line 47. Recording fees paid
- Line 49. Damages for bad faith suits
- Line 50. Fines or penalties
- Line 51. Donations/Lobbying
- Line 52. Trade association fees
- (8) Line 45. Loss and loss adjustment

Appendix – Discussion of premium reporting differences

Premium for title policies is split between agents and underwriters.

The Agents Report is compiled from data call submissions received from individual agents. Each agent reports the premium it retains (A) and the premium the underwriter retains (B). The total premium reported by agents is (A + B).

The Underwriters Report is compiled from data call submissions received from individual underwriters. Each underwriter reports the premium retained by agents (C) and the premium it retains (D). The total premium reported by underwriters is (C + D). This total premium matches what the underwriters report in their statutory financial statements.

Premium sources

Source of premium	Agents Report	Underwriters Report
Agents' premium	A	C
Underwriters' premium	B	D
Total premium	A + B	C + D

In theory, A should equal C, and B should equal D. Thus, (A + B) should equal (C + D). In practice, these numbers vary due to many factors, including timing of reporting. To accommodate for reporting differences, the actuarial analysis has always used the agents' premium from the Agents Report (A) and the underwriter's premium from the Underwriters Report (D), or (A + D).

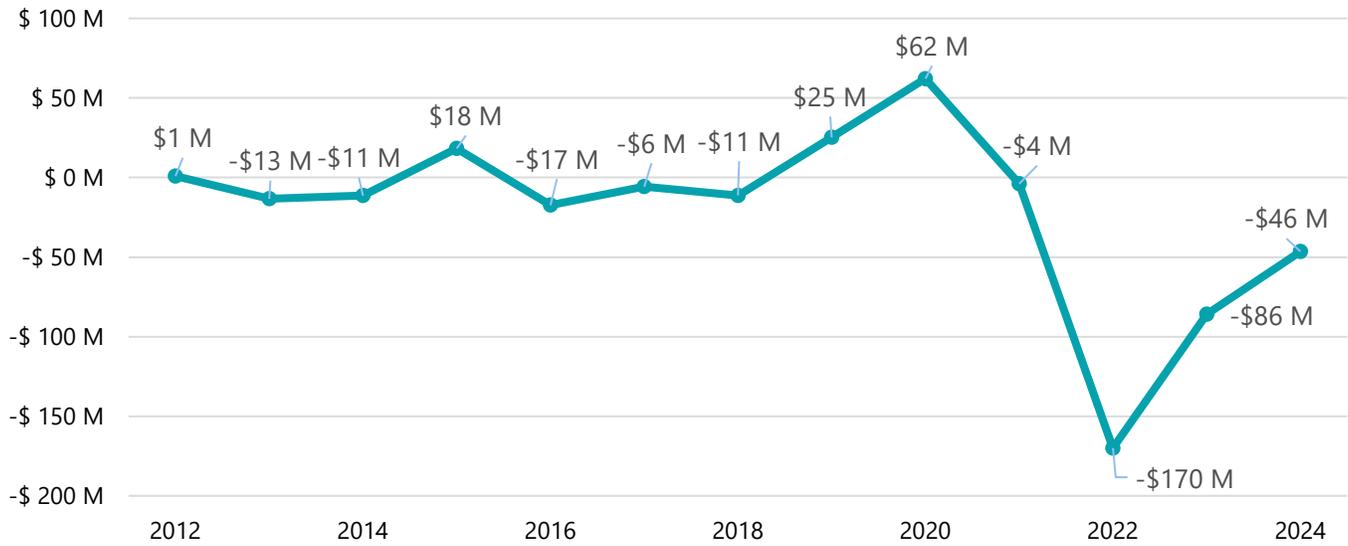
Unlike prior years, in 2022, the difference between the total premium from the Agents Report (A + B) and the total premium from the Underwriters Report (C + D) was significant. We still used (A + D) for 2022 in the actuarial analysis to be consistent with prior years and because there could otherwise be a mismatch in agents' premium and expenses. Underwriters don't have and don't report agents' expenses.

Impact. Since the agents' premium reported in the Agents Report (A) was significantly less than the agents' premium reported in the Underwriters Report (C), the denominator for the 2022 experience in the analysis is smaller. This causes the 2022 loss and expense ratio to be higher, which causes the rate indications to be higher (less negative).

This chart shows how the premium used in the actuarial analysis (A + D) has varied relative to the premium reported in underwriters' statutory financial statements (C + D) since 2012. Positive numbers show the analysis uses more premium than the financial statement, and negative numbers show the analysis uses less than the financial statement. Prior to 2020, this difference was nominal. Beginning in 2020, the magnitude of the differences increased relative to historical

differences. In 2022, the \$170 million difference is about 5% of the financial statement premium, whereas in prior years it ranged from 0% to 2%. In 2023 and 2024, the differences were 4% and 2%.

Premium difference (actuarial analysis minus financial statement)



Year	Difference	Year	Difference	Year	Difference	Year	Difference
2012	\$ 966,171	2016	\$ -17,358,101	2020	\$ 62,156,902	2024	\$ -46,434,372
2013	-13,354,963	2017	-5,718,756	2021	-3,910,175		
2014	-11,368,645	2018	11,208,798	2022	-169,986,857		
2015	\$ 18,281,854	2019	25,213,628	2023	-85,785,381		



2025 Title Rate Report
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