Stewart execs discuss Trusted Provider Program, escrow security bond, new homebuilder sales team

Stewart’s Chief Executive Officer Matt Morris said the company is taking a longer term view with a higher level of service going into 2014. He said, “We’re in the seventh inning. We haven’t completed all the plans we set out for yet, but we’re happy to see the progress we’ve made.”

Morris said the company has made a lot of changes in the past year, to its customers’ and the company’s benefit. 2012 was a strong year financially, more than 1,500 agents have taken advantage of the Stewart Trusted Provider Program, and the company is now offering escrow security bonds to add further assurances.

“People are saying we provide the services they need, and we’re always the first ones out there, making them aware,” Morris said. “I think that’s rewarding because they are part of the highest-quality agency network. They can now market themselves as such. That’s how the Trusted Provider Program came to happen. We have done a significant amount of work in developing the highest standard agency network.”

The Trusted Provider Program and network of agencies was built on a strong foundational vetting process. George Houghton, group president, agency operations, said he saw a need for agents to be able to show their customers what it meant to be part of the Stewart network. The first part of that process involves screening who is representing Stewart to the consumer.

“We don’t just look at numbers on a page in qualifying a person,” Houghton said. “We look at their experience in the business, their track record and their client base. What are their chances of success in the business model they’re proposing?”

Once selected, Stewart continues to monitor their progress. At least once a quarter agents are visited by the administration.
They ask how they can help the agent to succeed and look at consumer and regulatory issues and how the agent conducts its business. If there are any red flags, the issues escalates to one of the regional district managers and up to Houghton to take appropriate action.

“We’ve said we’re going to pass on some revenue in favor of the highest quality,” Houghton said. “That means our agents will pass that initial vetting and the ongoing monitoring, take care of their customers and have a loss ratio low-enough to where we can make money. We’ve passed on significant opportunities that didn’t meet our high-quality standards. The Stewart Trusted Provider seal is an indicator of that higher level of service. It’s not just providing underwriting. It’s giving agents the solutions they need in the real world to stay in the game.”

“We wanted to give our agents some credit for their customers; for them to have visibility and transparency, as well as a competitive advantage,” Morris added. “And, I think being a part of our network has been driving some business for them.”

The company also hired a third-party auditor, Deloitte, to do all of its auditing to ensure accuracy and impartiality.

“To my knowledge we’re the only company that has an independent third-party doing audits on a national basis,” Morris explained. “We say we’re centered around the customer. We say we provide a higher level of service. Now we have to measure that.”

Stewart Information Services Corp. chief executive officer said Q3 results reflect changing industry

Stewart is also trying to protect its agents by providing the necessary tools to provide settlement fund security and achieve CFPB compliance, including an Escrow Security Bond underwritten by Lloyd’s of London.

The bond will protect agents from financial loss from theft of settlement funds and fraudulent activities including consumer data security.

“The escrow security bond, developed specifically for agents, has several appealing factors,” Houghton said. “Since we have the highest-quality agents in the industry, their loss ratios are less which entitles them to a bundled policy. It’s a combination of errors and omissions and fidelity policies. Hundreds and hundreds have signed up for the bond.”

“Our job is to be that service environment for our agency base,” Morris concluded. “The direction is set and there’s still work to do get where we ultimately want to be.”

Stewart also just announced the creation of a National Homebuilder and Developer Sales team that will be dedicated to the national and regional builder and developer community. This new team was to be led by the late Ken Phillips who passed away Nov.11.

"We are deeply saddened by the news of Ken Phillips' passing and send our heartfelt condolences to his family during this difficult time," said Glenn Clements, group president, direct operations. "Our thoughts and prayers go out to Phillips; family and friends as they deal with this tragedy."

A replacement has not yet been named, but will be selected in the coming weeks.

"As the market recovers and we see existing home inventory shrink due to consumer demand for housing, builders are ramping up their development efforts at rapid paces," said Glenn Clements, group president, direct operations. "We are excited that Stewart is at the forefront of this growth to partner with our builder and developer customers to better serve them and homebuyers across the U.S."