

Celebrating 10 years of success!

As First Title CEE enters a new chapter, Andrew Jackson reflects on the highs and low of the last decade and considers what the future might hold for Title Insurance throughout Europe in the coming years.

How did you first get involved with title insurance?

“I was having dinner with an American lawyer friend in 2001. I asked him what he thought the next opportunity would be in this region. He said, ‘title insurance’. I was aware of the concept of title insurance but not of the breadth of the products for the property sector

I did some research on the market which led me to First American and its UK subsidiary, First Title Insurance plc. My timing turned out to be perfect, as they were already looking at the market and had carried out some due diligence.”

When did you start the business?

“First American Financial Corporation appointed my company Dekoulans as their exclusive agents in CEE in September 2003 and after delivering many presentations to lawyers, developers, investors and real estate agents explaining title insurance and its application in real estate transactions I sold my first policy in December 2004.

During 2004 the EU accession of several CEE countries meant that the regulatory and compliance side became much more important, and, as we had worked well together, First Title and Dekoulans formed a joint venture in September 2005”

How did the 2004 CEE expansion of the EU impact the business?

“A feeling of optimism swept the region, with the expectation that EU funds would flow and this gave multinationals a great deal of comfort. It allowed easier operations and meant we could operate under freedom of services and issue policies directly from the UK, but give clients comfort that we were recognised by the local regulator.

“First Title was in front of the wave of capital that was flowing to Eastern Europe. We recruited a team of talented colleagues from banking, finance and insurance to help identify the key opportunities and areas where we could promote title insurance.”

What about the 2008/2009 financial crisis?

“It was my first real recession as a senior manager. I honestly didn't think it would be as harsh, as we were a very small team in CEE and the penetration of insurance was still very low. I naively thought that although the overall market would be slower, First Title would insure more of a smaller market and that we could continue growing, albeit more slowly.

That expectation proved correct in 2008, as we had our best year yet, insuring over €1.7bn of commercial real estate. It was also the year we recruited David Yearn, a target-orientated business development professional with significant industry contacts.

“When global liquidity dried up in 2009, it was a different story altogether, and the market ground to a halt. The tap was switched firmly off. Initially this didn't worry me, as I thought the banks would foreclose and sell their properties at lower values. What happened instead was the ‘extend and pretend’ mentality.”

As a service provider, we need a market transacting, we need buyers and sellers. But transaction levels plummeted. We did all the things you have to do, reduced head count and costs, stabilised the business, but it is hard to have to cut back when you are trying to build something.”

How long did it take for the business to bounce back?

“By 2011, the market started transacting again and people had a much more diligent approach. Clients read the due diligence reports and listened to their lawyers when they raised issues. The risk manager was unlocked from the basement and actually listened to. The market was slower, but we were insuring more of it.”

What do you expect over the next 10 years?

“I'm still very ambitious and I'm very proud of the team I built and the achievements we made. I'm also very excited to be leading the European growth plans for First Title. I see many synergies working with our colleagues more closely in the USA, as well as helping our existing clients across a broader territory.”

“Unfortunately on a geopolitical level, there will be many risks and challenges, but for clients in business they can't sit on their hands. They have to carefully structure their deals to deploy capital and give a return to their investors. Insurance as a tool to mitigate their risk will become more widespread.”

“Our products have a place in the European and international market and I envisage that legal indemnity insurance, in the form of reps and warranty insurance and pure title insurance, will become commonplace in Europe. The challenge for us as insurers will be developing solutions to meet the increased demands, using technology and big data. There are also many initiatives at the EU level to unify and standardise land registries in Europe, so these will create further opportunities for our industry.”

Andrew Jackson is sales director, Western Europe.

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