



# TITLE INSURANCE

Team up with your title company for a seamless experience

## What is title insurance?

A title insurance policy protects your legal rights over the property, occupancy, use, control, and disposition of the property.

## Why is it different to transfer title to property than it is to transfer different kinds of items such as a car?

The transfer of property can be complicated due to the fact that land is permanent but its use and the rights to use it can change over the years.

## What is a title search?

Before issuing a policy, the title insurance company will perform an extensive search of relevant public and historic records related to the property. The search may be performed by title company personnel using either public records or, more likely, information gathered, reorganized and indexed in the company's title "plant."

## Who needs title insurance?

The seller, buyer and lender all benefit from the insurance provided by title companies. Buyers and lenders in real estate transactions need title insurance. Both want to know that the property they are involved with is insured against certain title defects. Title companies provide this needed insurance coverage subject to the terms of the policy.

## What does title insurance insure?

Title insurance offers protection against claims resulting from various defects (as set out in the policy) which may exist in the title to a specific parcel of real property, effective on the issue date of the policy. For example, a person might claim to have a deed or lease giving them ownership or the right to possess your property. Another person could claim to hold an easement giving them a right of access across your land. Yet another person may claim that they have a lien on your property securing the repayment of a debt. That property may be an empty lot or it may hold a 50-story office tower. Title companies work with all types of real property.

## How much does title insurance cost?

Title insurance rates vary based on the liability amount of coverage. A one-time premium is paid at the close of a transaction. There are no monthly payments, as there are with other types of insurance.

## What types of policies are available, and how long does coverage last?

Title companies routinely issue two types of policies: An "owner's" policy which insures you, the homebuyer, for as long as you and your heirs own the home; and a "lender's" policy which insures the priority of the lender's security interest over the claims that others may have in the property.

## What protection am I obtaining with my title policy?

A title insurance policy contains provisions for the payment of the legal fees in defense of a claim against your property which is covered under your policy. It also contains provisions for indemnification against losses which result from a covered claim.

## What are the chances of ever using my title policy?

In essence, by acquiring your policy, you derive the important knowledge that recorded matters have been searched and examined so that title insurance covering your property can be issued. Because we are risk eliminators, the probability of a claim is very low. However, claims against your property may not be valid, making the continuous protection of the policy all the more important. When a title company provides a legal defense against claims covered by your title insurance policy, the savings to you for that legal defense alone will greatly exceed the one-time premium.

## What if I am buying property from someone I know?

You may not know the owner as well as you think you do. People undergo changes in their personal lives that may affect title to their property. People get divorced, change their wills, engage in transactions that limit the use of the property, and have liens and judgments placed against them personally for various reasons. There may also be matters affecting the property that are not obvious or known, even by the existing owner, which a title search and examination seeks to uncover as part of the process leading up to the issuance of the title insurance policy. Just as you wouldn't make an investment based on a phone call, you shouldn't buy real property without assurances as to your title. Title insurance provides these assurances.



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