



WHY YOU NEED TITLE INSURANCE

Couldn't the title be searched and a report or an opinion given?

Yes. But title insurance goes further than a report or an attorney's opinion. If a defect in your title—any defect not shown as an exception in your policy—should turn up later, your title insurance provides a corporate guarantee against loss within the limits of the policy.

But I thought the bank or lending institution always had the title insured?

It usually does. But its policy only insures the LENDER's interest in your property. You could lose your equity if you do not have Owner's Title Insurance.

Is Owner's Title Insurance as important to me as fire or property damage protection?

Yes. Loss from title deficiencies can be as great as or ever greater than, fire or other damages. Title Insurance protects your equity in the property against title defects.

If Owner's Title Insurance is so important, isn't it expensive?

Absolutely Not. Owner's Title Insurance is one of the least expensive forms of insurance available.

And do I pay only one premium?

Yes. And this one time minimal premium insures your real estate for as long as you or your heirs have an interest in the property.

What is a title defect?

It is one of a number of things that could jeopardize your interest or equity in the real estate. It could be as simple as an unsatisfied mortgage or something more complex like a lien, judgment or other recorded claims against the property. It could arise through easements, use restrictions or other covenants. It could even be a hidden risk. See list of hidden risks.

So an Owner's Title Insurance Policy insures against these title effects occurring?

No. But Owner's Title Insurance does eliminate the risk of loss to you through claims against the title as described in your policy. The insuring company assumes all legal expenses involved in adjudicating claims and protects you against any loss whatsoever arising from claims attacking your title, within policy limits, even though they may occur through errors made in public records.

If I didn't have Owner's Title Insurance, how serious would a claim against my real estate be to me personally?

It is very serious. It would mean you would have to incur all expenses involved with the defense of your rights, and could even result in a complete loss of your equity if your defense proved unsuccessful.

What should I look for when selecting a company to insure my title?

A sound **reputation** for paying claims, **experience** in all phases of title insurance, and efficient and **dependable service** to policy holders. Of course you could always ask the Central Alabama Title Center to provide you with an Owner's policy. Our company is backed by one of the most financially strong title insurance underwriters in the nation and the CATC staff is knowledgeable, dependable, efficient and eager to earn your business!

HIDDEN DEFECTS ALERT! **The Short List of Possible Problems Covered by an Owner's Policy**

- Forgery
- Fraud in connection with the execution of documents
- Undue influence on a grantor or executor
- False impersonation by those purporting to be owners of the real estate
- Incorrect representation of marital status of grantors
- Undisclosed or missing heirs
- Wills not properly probated
- Mistaken interpretation of wills or trusts
- Mental incompetence of grantors
- Conveyance by a minor
- Birth of heirs subsequent to the date of a will
- Inadequate surveys
- Incorrect legal descriptions
- Non-delivery of deeds
- Unsatisfied claims not shown on the public records
- Deeds executed under expired or false powers of attorneys
- Confusion due to similar or identical names
- Dower or courtesy rights of ex-spouse of former owners
- Incorrect indexing of recorded documents
- Clerical errors in recording legal documents
- Delivery of deeds after death of a grantor