



OWNERS TITLE INSURANCE—

And why you should consider purchasing it

What is Title Insurance?

Title insurance plays a major role in making ownership in real property safe and secure by protecting you from losses that occur from various matters affecting the title to land. There are two basic types of policies: Owner's Policy of Title Insurance to protect the Owner, and Loan Policy of Title Insurance to protect the lender's mortgage.

How Does It Work?

Unlike most material purchases, paying money for real estate and receiving a deed to property does not always assure the buyer of a free and clear title. According to real estate property laws, once settlement is final, the buyer is financially responsible for any valid claims made against his/her property. This means that any unsettled matters involving the property and past owners become the current owner's problem. For example, the property may have been transferred by a minor or someone who was legally incompetent. The possibilities are endless. However, if you the property Owner, purchase an Owner's Policy of Title Insurance you could be assured that your investment in the said property would be secure, because this would be covered under your policy.

20 Important Reasons Why You Should Have Owner's Title Insurance

These are just some of the hidden title risks that would not be disclosed by even the most meticulous title search, but are covered by an Owner's policy of Title Insurance:

1. Forgery
2. Fraud in the execution of documents
3. Undue influence on a grantor of a deed
4. False impersonation by someone purporting to be the owner of the property
5. Incorrect representation of marital status
6. Undisclosed or missing heirs
7. Wills not properly probated
8. Misinterpretation of wills and trusts
9. Mental incompetence of a grantor of a deed
10. Transfer of title by a minor
11. Heirs born after the execution of a will
12. Incorrect legal descriptions
13. Non-delivery of deeds
14. Unsatisfied claims not shown in the probate records
15. Deeds executed under expired or false powers of attorney
16. Confusion due to similar or identical names
17. Dower or courtesy rights of spouses of former owners
18. Incorrect indexing of the land records

FREQUENTLY ASKED QUESTIONS

If the bank required a Loan Policy, why do I need to buy an Owner's Policy?

The Bank's policy only protects its interest. You, the homeowner, may be liable for title problems even though the bank is insured by a policy that you paid for.

I paid for a title search...So why do I need to buy title insurance also?

A title policy insures against many defects which could not be discovered in a title search, as well as insuring against errors made in the title search itself.

Is Owner's coverage expensive?

No. A one time premium covers you throughout ownership and after. When you are already paying for a loan policy, the additional cost for an Owner's policy is usually small.

What's Covered under a Standard Owner's Policy?

The standard Owner's Policy provides the basic coverage for a homeowner:

- It insures that you are the owner of the property.
- It insures against losses from any liens or encumbrances on the property except those listed in the policy.
- It insures against your title being rejected by a subsequent buyer because it is unmarketable due to a title defect or lien.
- It insures you have a legal right to access, occupy and enjoy the subject property.

The title policy not only protects you against losses due to title claims covered by the policy, it also pays for the attorney's fees and costs in defending the title to your property should a claim arise. You are covered under the policy for as long as you own the property, and also for liability after you sell the property if you provide title covenants in your deed to the new buyer.