

# TITLE INSURANCE POLICIES

## Why You Should **Insure** The Title To **Your Home**

When you buy a house, you're buying more than the structure and the property it sits on. You are also buying its **LEGAL HISTORY**, as it is identified in the title. If there's a problem with the title that was never uncovered during the closing, such as a lien on the property, **THAT PROBLEM IS NOW YOURS**.

## The Role Of **Title Insurance**

Title insurance insures parties against loss resulting from matters affecting the title to real property. Title insurance companies evaluate the history of the property and insure that nothing in the history of the title will result in a loss to the insured. Unlike other forms of insurance, title insurance is paid for by **A SINGLE, ONE-TIME PREMIUM** at the time the property is acquired.

## Title Insurance For **Your Lender** vs. Title Insurance For **You**

Most mortgage lenders require people to purchase a title insurance policy in the lender's name. That policy is called the **MORTGAGEE POLICY** and it is required to insure the validity of the mortgage as a lien on your property. But the policy you buy for the lender **DOES NOT PROTECT YOU**. Owners desiring title protection must purchase a separate policy insuring their interests. The title insurance policy you buy for yourself is the **OWNER POLICY**.

## **THE STANDARD** Owner Title Insurance Policy

The standard **OWNER POLICY** in use today was developed by ALTA, the American Land Title Association. It provides basic coverage for those who want to protect their interest in the property they purchase. The rate for your Owner Policy is usually higher than what you'd pay for a Mortgagee Policy because of the risk involved – **OWNER TITLE INSURANCE** covers the value of your interest in the property as opposed to the value of just the loan.

The Owner Policy provides coverage not just for the time you own the property, but for **AS LONG AS YOU MIGHT BE LIABLE TO ANY FUTURE OWNER**. If a new owner makes a legal claim against you within the coverage of your title insurance policy, you'd be covered!

## MORE COVERAGE FOR OWNERS OF IMPROVED RESIDENTIAL PROPERTY

Owning real estate can expose you to a wide range of legal issues. The **EXPANDED PROTECTION OWNER POLICY** is available for the issues that may not be included in the basic coverage of a Standard Policy.

### THE EXPANDED PROTECTION Owner Title Insurance Policy



When you're purchasing a home, you have an additional option of purchasing an **EXPANDED PROTECTION OWNER POLICY**. The Expanded Protection Owner Policy provides all of the coverage in the Standard Owner Policy but also provides **EXTRA COVERAGE AGAINST LOSS**.

Choosing the Expanded Protection Owner Policy allows you to obtain survey coverage in certain cases without having to pay for a survey of the property. **WITH SURVEY COVERAGE, YOU ARE COVERED FOR UNDISCLOSED TITLE DEFECTS THAT A SURVEY OF THE PROPERTY WOULD OTHERWISE REVEAL**, such as rights of way, encroachments, and even boundary disputes. Adding survey coverage allows you to maximize the coverage available under the Expanded Protection Owner Policy.

### The Case For Title Insurance

The issues outlined in this brochure explain why **TITLE INSURANCE IS IMPORTANT FROM A LEGAL STANDPOINT**. But there's another, equally important reason for purchasing a title insurance policy: **PEACE OF MIND**

With title insurance you can feel secure, knowing that you're protected from unforeseen circumstances.

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### Ask Your Attorney

Real estate transactions can be complicated, time consuming, and may involve some degree of risk. With an attorney at your side, you can stay both informed and protected. That's why your attorney is such a critical part of the process.

When it's time to buy or sell real estate, **ALWAYS** speak with an attorney.

*The explanation of coverages in this brochure is for informational purposes only. For a detailed explanation, please consult your title insurance policy or ask your attorney.*

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