



What is Title Insurance and Why Do I Need It?

Purchasing a home is one of the largest investments most people make. You want your investment protected...right? Title Insurance was created to do just that.

While Homeowner's Insurance protects the structure on your property, **Title Insurance protects the land your home sits on.**

You may think, "Why do I need insurance on land??" Well, land has been around forever and passed down from generation to generation. Prior to a transaction, real estate attorneys perform a title exam on every property to find out the history of the land: who owned it, probate findings, debt secured by the property, liens, etc. This is done to ensure a property is being sold with a clear and marketable title.

So NOW you may ask, "My closing attorney did a title exam and I have a Warranty Deed for my property. Why do I need insurance?" This is a great question. After closing (despite a thorough title exam) title issues can arise from a myriad of situations. Some examples include:

- Unrecorded documents that may entitle other individuals or entities interest in your property
- Forged documents
- Claims of invalid probate of wills and estates from a past owner
- Undisclosed or missing heirs
- Documents recorded in the "Gap" period (the time between the title exam and when your deed is recorded)

You, as the new owner, may become financially responsible for any valid claims against your new property. With an Owner's Title Insurance Policy, you would be covered under most situations. **If you are purchasing a home (and not just a parcel of land), your policy will also include protection from title theft!**

Ok, so now you know more about title insurance. You took out a loan to purchase your home and the lender required you to purchase a Lender's Title Insurance policy. Does that cover you? No! The lender's policy ONLY covers the lender. The lender requires you to purchase THEIR lender policy to protect THEIR investment.

Maybe Owner's Title Insurance seems expensive. It really isn't! Think about it this way....it is a one time premium that significantly protects you for as long as you own the property. If a title claim were to arise, even a consultation with an attorney to remedy the claim may cost more than the premium you paid! A full lawsuit most definitely would.

Contact our office for more information on the benefits and coverage of an Owner's Title Insurance Policy. We are happy to answer any questions to help keep you protected.

