



Title Insurance Questions and Answers for the Property Owner

What is Title Insurance?

An opinion of the condition of the title to real property, backed by an insurance policy.

Why do I need Title Insurance?

When you buy a home or a property, you expect to enjoy certain benefits from ownership. For example, you expect to be able to occupy and use the property as you wish, to be free from debts or obligations not created or agreed to by you. And to be able to freely sell or pledge your property as security for a loan. Title Insurance is designed to cover these rights.

What if I have a problem? Do I have to lose my property to make a claim?

Not at all. At the mere hint of an adverse claim to your title, you should contact your title insurer who issued your policy. Title insurance includes coverage for legal expenses which may be necessary to investigate, litigate or settle an adverse claim.

What does Title Insurance Cost?

The cost varies, depending on the value of your property. The important thing to remember is that you only pay once. The seller generally incurs the expense. The coverage continues in effect for as long as you have an interest in the covered property. If you should die, the coverage automatically continues for the benefit of your heirs.

If my lender gets title insurance for their deed of trust, why do I also need a policy?

The lender's policy covers only the amount of the loan and the lien priority of the lender, which is usually not the full property value. In the event of an adverse claim, the lender ordinarily wouldn't be concerned unless it's loan become non-performing and the claim threatened the lender's ability to foreclose and recover it's principal and interest. Also, in the event of a claim there are no provisions of coverage for the owner.

