

What is Title Insurance?

by Isaac Benmergui, Esq on November 26, 2014



When you buy real estate, you work with a title company. The title company's job is to research the property you are buying, determine if anyone has made changes to the structure that is on the property, and also research the legal history of the property. They determine if anyone has disputed, or has reason to dispute past ownership, if there are any unpaid taxes on the land, any unresolved mortgages, any limitations or restrictions on use, and what rights come with the property.

As you can imagine, this is a very important step in the buying process, since if you buy a piece of property that is disputed, you could end up going to court to resolve the dispute, called a claim. Even the most thorough research on the title could fail to bring up issues if someone deliberately lied, forged, or committed fraud in transferring a title, so simply having a search done does not fully protect a new owner against claims. That is where title insurance comes into play.

Most mortgage companies require title insurance because owning a title free and clear is an important part of removing the risk from your investment, and hence the mortgage company's investment. If you buy a piece of land and then discover that the title has unpaid taxes, the city, county or state government could come in and make a claim on the property. That means you lose your investment, but you are still liable to the mortgage company for the loan you took out. The odds are not great that in that case that the loan would be paid back. Most likely, the owner would simply file for bankruptcy in hopes of getting the debt discharged.

Title insurance is a one-time purchase during the buying process that protects the title of the property you have purchased for as long as you or your heirs own it. This cost is included in closing costs. If a claim is made against your title, even if the claim arose from a hidden hazard such as fraud or forgery, the insurance company will pay for your legal expenses and the cost to fight that claim.

Call [Miami Real Estate Lawyer Isaac Benmergui](http://realestatemiamiattorney.com/2748/title-insurance/) at 305.397.8547 and set up a no charge, no obligation consultation to discuss your case. We have close to 10 years of experience handling Real Estate, Personal Injury, Immigration and Commercial Litigation cases throughout Miami and South Florida, and will use our expertise to help your case to the best of our abilities.

<http://realestatemiamiattorney.com/2748/title-insurance/>