



## THE VALUE OF TITLE INSURANCE

A home means so much more than the purchase price. The financial investment of one's savings is important, but so are all the intangibles. Your eyes are your guide when you purchase real estate; however, when you look at real estate, whether it be for your home, your business or your pleasure, you cannot "see" the title to the land. You cannot see the name of the person or persons who own the land and the buildings.

The quality of any title is a matter of opinion over which persons, learned in the law of real estate, may differ. Even though the title to your property might appear to be perfect, there are many unknown risks—risks that even the most thorough title search cannot uncover. A will or deed could have been forged; the party transferring the title could have been incompetent; a married woman might have conveyed title without her husband. Fraudulent impersonations, undisclosed heirs, invalid divorces and false affidavits might seriously affect your title. Your protection as a purchaser is title insurance.

Title insurance is significantly different from other forms of insurance in its nature. Casualty or life insurance is "risk assumption" insurance, providing compensation for losses due to unforeseen future events, such as accident or death. Title insurance eliminates risks and prevents losses in advance by extensively searching records and examining titles to property for any defects arising out of events that have happened in the past.

Your mortgage lender will also want title insurance to protect their collateral, the title to your real estate, in case of foreclosure. Most mortgage lenders require title insurance. The borrower is normally responsible for paying the premium for the lender's title insurance policy.

Claims against title, even when they are without merit, can involve lengthy and expensive litigation. If a loss claim is raised against an insured property, the title insurance company will not only compensate for any valid claims but will pay for legal fees and court costs to defend the title.

The title insurance industry, on an average, pays out only a small percentage of its premiums in losses. This low percentage of losses provides evidence that the title insurance companies are performing an effective service in eliminating the risk of home ownership and mortgage lending.

Since title insurance is a low risk form of insurance, a small one-time premium is charged on each transaction (unlike the annual premium renewals of most other forms of insurance). As opposed to providing coverage for a specified, limited term, title insurance protects the property owner and/or lender for the duration of ownership or interest in the property.

Title insurance companies offer numerous other services for property owners and lenders to assist and expedite real estate transactions, as well as reduce risks and provide greater security for their investments. The low fees for title insurance make this package of services a worthwhile investment.

Your home is more than a shelter. It represents stability, permanence and the hope of the future. You cannot afford to take a chance that your home will be taken from you due to a flaw in the title. For the security of your home and your family, for your peace of mind, protect yourself with title insurance.