



CHICAGO TITLE

WHAT IS TITLE INSURANCE?

Title Insurance provides the basic and essential protection for home ownership. Since a home purchase is usually the largest single financial investment most people make in their lifetime, the importance of fully protecting this investment cannot be overemphasized. As with many other insurance products with which you are probably already familiar, Title Insurance exists to minimize risk to your investment.

Title insurance differs from conventional insurance in the following ways:

- It protects the insured from future losses arising from events of the past.
- The premium is a one time fee paid at issuance.
- The Owner's policy remains in effect for as long as the owner and their heirs retain interest in the property. The Lender's policy expires when the mortgage has been fully satisfied.

There are two main categories of risk Title insurance covers:

- Hidden hazards (forgery, fraud, impersonator, incompetence of grantor or mortgagor, unknown heirs, etc.) which cannot be detected in the examination of title.
- Human error - it's a fact of life that people over time have made errors on documentation that affects title to a property, and with Title insurance you are protected from issues arising from these defects.

The role of the title company is to search for and examine public records. The facts uncovered during the initial search will determine:

- Whether the person selling the property is or is not, in fact, the legal owner of the property.
- That the "estate" or degree of ownership being sold is currently and accurately vested with the seller.
- The presence of any unsatisfied liens which must be satisfied before "clear title" can be conveyed.
- Existing restrictions, easements, rights of way or other rights granted to others who are not owners which may limit the right of ownership.
- The status of property taxes and other public or private assessments.

*Chicago Title provides
homeowners peace of mind
by protecting their interest
in the property and the
safety of their investment.*

These facts will be presented in a preliminary report. This report is issued to the mortgage lender, in the case of a lender's policy, or purchaser, in the case of an owner's policy, before the close of escrow.



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