



“Where the customer
is our first Priority”

Understanding Title Insurance

The title industry and title insurance in a brief

Prior to the development of the title industry in the late 1800s, a home buyer received a grantor’s warranty, attorney’s Title opinion, or abstractor’s certificate as assurance of home ownership. The buyer relied on the financial integrity of the grantor, attorney, or abstractor for protection. Today, title insurance companies are regulated by the state statute. They are required to post financial guarantees to ensure that any claims will be paid in a timely fashion. They also must maintain their own “title plants” which house duplicates of recorded deeds, mortgages, plats, and other pertinent county property records.

WHAT IS TITLE INSURANCE? ▼

Title insurance provides coverage for certain losses due to defects in the title that occurred prior to your ownership. The seller can give only those rights that previously have been received with “good title.” Title insurance protects against defects such as prior fraud or forgery that might go undetected until after closing and possibly jeopardize your ownership and investment.

WHY IS TITLE INSURANCE NEEDED? ▼

Title insurance assures Buyers that they are acquiring marketable title from the Seller. It is designed to reduce risk or loss caused by defects in title from the past. A Loan Policy of Title Insurance protects the interest of the mortgage lender, while an Owner’s Policy protect the equity of you, the Buyer, for as long as you or your heirs own the property.

WHEN IS THE PREMIUM DUE? ▼

You pay for your Owner’s title insurance policy only once, at the close of escrow. Who pays for the Owner’s Policy and Loan Policy varies depending on local customs. The Owner’s Policy has perpetual term and provides coverage for as long as you are in a position to suffer loss.