



## WHAT IS TITLE INSURANCE



So, you're buying a house. It's an exciting time. It can also be a bit confusing. Things feel like they're happening pretty fast, and often some important things can go unexplained – like title insurance. Many people, even those who already have title insurance, don't understand exactly what title insurance is or what it does. We would like to remedy that by providing some basic information on title insurance.

### **WHAT IS TITLE?**

Simply stated, the title to a piece of property is the evidence that the owner is in lawful possession of that property.

### **WHAT IS TITLE INSURANCE?**

Title insurance protects real estate owners and lenders against property loss or damage they might experience because of liens, encumbrances or defects in the title to the property. Each title insurance policy is subject to specific terms, conditions and exclusions.

### **HOW DOES TITLE INSURANCE DIFFER FROM OTHER INSURANCE?**

Whereas most types of insurance protect against future events and are paid for annually or monthly — auto insurance is one such example — a title policy insures against events that occurred in the past and is paid only once, at the closing of the property.

### **WHAT DOES IT COVER?**

Title insurance protects against claims from defects. Examples of defects are another person's claiming an ownership interest, improperly recorded documents, fraud, forgery, liens, encroachments, easements and other items that are specified in the actual policy.