

As real estate is the nation's largest market, its purchase and sale is essential to the health of the U.S. economy.



However, these transactions are never without risk. That's why title insurance has been protecting American homeowners for more than 130 years.

Title Search and Exam

When you purchase a policy insuring you for matters relating to your car or health, the insurance company assesses the risk of insuring you, and bases its premium on the risk being assumed. With title insurance, the insurer first works to identify the status of ownership, liens and other matters affecting title by collecting documents affecting title from the public records that are statutorily identified for the recording of real estate transactions.

This process is called the search. Once the search is complete, the title insurance underwriter can then determine the insurability of the title and list exceptions from coverage and requirements to insure.

Undiscovered Risks

Even the most skilled title professionals may not find all title problems. Other risks include matters that are more difficult to identify, such as title issues resulting from filing errors, forgeries, undisclosed heirs, and other unforeseen problems. That's one reason why your title insurance policy can play a key role in protecting your real estate investment.

Loan Policy

When you purchase a new home or other piece of real property by securing a mortgage, you will be required by your lender to purchase a loan policy of title insurance. This policy insures the lender against covered title defects up to the amount of insurance. This coverage, in favor of the lender, lasts for the life of the loan under limited circumstances stated within the policy.

