

WHAT IS TITLE INSURANCE?



It's there to protect possibly the most important investment you'll ever make — the investment in your home.

Preserving The Past, Insuring The Future

Most kinds of insurance are self-explanatory. Fire insurance protects against losses from fire. Collision insurance guards against the cost of a crunched car. Theft insurance - well, you get the point. But title insurance? What does it mean to insure your title to real estate? And what are the risks that make title insurance important? Chicago Title has been asked these questions before. Here's how we answer them.

A Word About Real Estate

Real estate has always been considered man's most valuable possession. It is so basic a form of wealth that many special laws have been enacted to protect ownership of land and the buildings which stand on the land. You should realize whenever you buy property that the owner who is selling it to you has extremely strong rights as do family and heirs. Also, there may be others—in addition to the owner—who have "rights" in the property you are going to buy. These may be governmental bodies or contractors or individuals who have perfectly proper unpaid claims against the property. Anyone who has such a claim is, in a sense, a part owner. The property may be sold—to you—without the party who has a claim knowing about the sale. And you may know nothing about such a claim at the time you buy. It doesn't matter. Such claims may remain attached to the real estate you have purchased.

How Does A Title Insurance Policy Protect Against All These Dangers?

If a claim is made against your title as insured, Chicago Title protects you by: 1) defending your title, in court if necessary, completely at our expense; 2) bearing the cost of settling the claim if it proves valid, in order to protect your title and keep you in possession of your property. Such a claim at the time you buy. It doesn't matter. Such claims may remain attached to the real estate you have purchased.

Only One Premium

Unlike other forms of insurance, the original premium is your only cost as long as you or your heirs own the property. There are no annual payments to keep your Owner's Title Insurance Policy in force. property that the owner who is selling it to you has

Will You Get A Clear Title?

By a search of the public records. This is the first step we take in order to insure your title. We keep track of recorded documents which might affect the title to every parcel of land. Some things a title search uncovers are any unpaid taxes or mortgages, judgements against previous owners, easements, court actions and many other recorded documents which can affect title to real estate. We find and report such defects in the title to the real estate you wish to buy, so that these matters can be cleared up. It is the first benefit you receive when title insurance is ordered.

What If There Is A Defect In The Title Search?

This can happen. We call them "hidden risks"—the undiscovered claims which may arise long after you have bought your home. Protection against loss from claims on real estate which cannot be discovered by examination of the public records is the second part of the two-fold benefit which title insurance provides. The title to the home which you have paid for—and to which you have received a deed—could be seriously threatened or completely lost by such circumstances as a forgery, confusion due to similar names, error in the records—to cite just a few hazards.

By Now, You Know The Answer To Our Question - What Is Title Insurance?

It is assurance that possible clouds on the title to the land you are buying—which can be discovered from the public records—have been called to your attention so that such defects can be corrected before you buy. And, it is insurance that, if any undisclosed claim covered by your policy arises out of the past to threaten your ownership of real estate, it will be disposed of, or you will be reimbursed, exactly as your title insurance policy provides.
