

# Why Do I Need Title Insurance?

## Fully Protect Your Home

Most people will make sure that they have sufficient homeowners insurance and other options that address risk in their areas. You might have homeowners and flood insurance, but you are still at risk if you do not have title insurance. Your home is probably your greatest financial investment as well as a safe place for your family. Why take any chances with it?

## What Is Title Insurance?

Title Insurance provides coverage guaranteeing ownership of your home, agricultural land, or commercial properties and the validity of the lender's lien. Unlike most forms of insurance, title insurance is an assurance to the insured of the current status of ownership. Title issues are costly to resolve, which is why title insurance is so important. Flood insurance will protect you from financial damage from future events, but title insurance will shield you from the mistakes of the past.

The title insurance process begins by researching all public records related to the land to create a complete chain of title and make sure that the property can be insured. The chain of the title is the history of the title transfer; it shows how and when ownership changed hands. This research will discover any issues that need correction. Problems that could occur in the chain of title might include:

- Misspelled or Incorrect Names
- Filed Legal Actions
- Overlooked Easements
- Invalid Notary Acknowledgements
- Tax Liens
- Incorrect Legal Description
- Gaps in the Chain of Title

### Owner's Title Insurance

Owner's coverage protects the owner in the event of title claim or loss.

### Lender's Title Insurance

Most lenders require title insurance on their mortgage, referred to as a Loan Policy. This secures their investment in the real estate.

Even with research, title issues are still possible, which is why having title insurance is so critical. Once insured, the policy works to protect you in the event of risks appearing after the purchase. It will either pay for legal claims or complete the title to perfection. In some cases, the insurance will continue to protect you after you sell the property.

Don't take chances with your home or family. Make sure that you have all of the insurance you need before going to close.