

# Title Insurance

Most types of insurance are self-explanatory. They protect against losses from events that may occur in the future, such as fire, theft or collision. Title insurance, however, protects against defects in title that may arise from events, which happened in the past.

The seller has extremely strong rights, as do their family and heirs. There may also be others in addition to the owner who has rights in the property. These may be governmental bodies, contractors or individuals who have unpaid claims against the property.

Anyone who has a claim is, in a sense, a part owner. The property may be sold without the party who has a claim knowing about the sale, and the buyer may know nothing about such a claim at that time. Regardless, these claims may remain attached to the real estate.

It is important the buyer be protected against any undiscovered claims, which may arise in the future. Title insurance provides this protection.

The title insurance company searches the public records in order to insure a title. A title search may uncover unpaid taxes or mortgages, easements, judgments against previous owners, and other court actions, which may affect title to the real estate. The title insurance company finds and reports such defects in title so these matters can be corrected.

Defects in title don't always appear in the public records. Protection against the loss from claims on real estate that cannot be discovered by examination of the public record is a benefit title insurance provides. If a claim is made against a title, the title insurance company protects the insured by defending the title, in court if necessary, at their expense. By bearing the cost of settling the claim, if it proves valid, the Title Company insures the buyer a clear title and that they keep possession of their property.

Title insurance provides assurance that every possible cloud (defects in title) on the title to the property can be discovered from the public records. It is insurance that if any undisclosed claim covered by the policy arises out of the past, it will be disposed of, or the insured will be reimbursed, exactly as the title policy provides.