

# WHAT DOES TITLE INSURANCE DO FOR YOU?

## **What is title insurance?**

Title insurance is an insurance policy that protects your legal rights to own, possess, use, control, and dispose of land.

## **Why is transferring the title to real estate different from transferring the title to other items such as a car?**

Transferring a real estate title can be complicated because land is permanent and the usage of land and the rights to use it can change over the years.

## **What is a title search?**

A title search is a detailed examination of the historical public records concerning a property. These records include deeds, court records, property and name indexes, and many other public documents.

## **Why do I need title insurance?**

There are two types of title insurance policies: a lender's policy and an owner's policy. The lender's policy is required for a mortgage, financially covers the amount of the loan, and provides protection to the lender. An owner's policy protects the land owner against any title loss, which ensures the value of the property. With title insurance, if a claim is made against the title, the underwriter must pay any and all costs associated with defense against the challenge, and if unsuccessful in that defense, reimburse the land owner for any reduction in the value of the land.

## **Is title insurance as important as homeowner's insurance?**

Homeowner's insurance typically provides protection against theft or damage. If a fire destroys your home, you can rebuild and buy new possessions. If the title to the land fails, you could lose the right to inhabit your home, as well as the land it occupies.

## **How much does title insurance cost?**

Title insurance rates are set by the Texas Department of Insurance and are determined by sales price. You pay for title insurance only once; there are no monthly premiums. Please refer to a rate sheet for more information.

## **How long does title insurance coverage last?**

The lender's policy of title insurance lasts until the mortgage is paid in full. An owner's policy of title insurance lasts for as long as you or your heirs retain an interest in the property.

## **Where can I get title insurance?**

You can obtain title insurance from any licensed title insurance company or its agents operating in your state. Contact any of our offices for more information.