



Title Monitoring Services vs. Owner Title Insurance

DEFINITION

- > Monitors for future fraud scenarios in which someone forges the owner's signature on a deed/mortgage.
 - > Notifies customer of recording event affecting property.
 - > Lack of standardization requires careful review of the terms and conditions of each service to ascertain limitations on liability.
 - > Notice service; not insurance.
- > Insures against loss or damage resulting from failure of title or from the enforcement of unknown liens existing at policy date.*
 - > Covers specific risks, such as hidden title defects and lack of marketability of title, subject to specific conditions, exclusions, and exceptions outlined in the policy and schedules.
 - > Regulated industry with standardized forms that clearly define protection afforded.
 - > Provides significantly more protection than monitoring services and acts as an indemnity against covered risks.

COST

- > Requires monthly or yearly subscription fee.
 - > Only provides assistance in response to fraud when customer is an active, paying member. Fee must be current to realize benefit.
 - > If post-transaction fraud is discovered, coverage varies based on service provider and fee level.
- > One-time premium, paid at closing, providing coverage for covered risks without need to pay a subscription fee.
 - > Coverage continues for as long as an owner (or their heirs, devisees, survivors, etc.) holds title to the property or has obligations under warranties in a deed of sale.
 - > Title insurer will repair the title or pay the insured's loss up to the amount of insurance for the covered title claims.
 - > Title insurer has a duty to defend valid claims and absorbs defense costs, which does not decrease amount of insurance.

Note: Many register of deeds offices provide a free fraud notification service that sends email notifications to the owner when a document is recorded that matches the owner's name. Owners are encouraged to check with the registrar in the county in which the property is located.

Although there may be benefits to title monitoring services that are not provided by title insurance, they are not a substitute for the value and coverage that title insurance provides.

Feature	Title Monitoring Service	Title Insurance
Corporate indemnity against loss or damage	X	✓
Covers specific pre-transaction fraud scenarios*	X	✓
Covers extensive list of pre-transaction hidden title defects*	X	✓
Provides legal resources as a benefit of cost	Some services <u>may</u> provide legal resources	✓
One-time cost	X	✓
Amount of insurance	\$0	Purchase price + additional allowances in certain situations as outlined by the policy
Effective Period	As long as you pay the recurring fee	As long as you or your heirs hold interest in or have obligations under warranties in a deed of sale
Notice of post-transaction documents recorded on the public record	✓	X

Note: Many register of deeds offices provide this service free of charge.

*In most markets, enhanced owner policy products are available that afford some post-policy fraud protection, including coverage for claims against the title due to forgery or impersonation.