



## 5 REASONS FOR OBTAINING OWNER'S TITLE INSURANCE

**1** A lender's policy does not protect you. The lender obtains their own title insurance policy which does not protect your interest in the property.

**2** Owner's title insurance protects you against defects in the title to your property. Potential defects are numerous and include fraud, mistakes in recording important documents, and missing heirs.

**3** An owner's policy provides coverage for losses related to court costs and attorneys' fees in the event you are named in a lawsuit related to a covered risk. Nothing prevents others from claiming they have an interest in your property even when they do not.

**4** Unlike other types of insurance, owner's title insurance involves a one-time premium for coverage that protects your interest forever (including any liability you may have as a result of warranties given in a deed). Additional premium is only necessary if the value of your property increases significantly after the policy date and you desire additional coverage.

**5** As these actual claims illustrate, the risks covered by an owner's title insurance policy are not obscure improbabilities – they happen to people just like you.

### No Way to Get There

Thomas and Lisa White purchased property for \$125,000 and an owner's policy in the same amount. The policy insured the land along with an access easement to the land. The White's neighbor sued to block the easement and the Whites filed a claim with Investors Title under their owner's policy.

After receiving the claim, Investors Title hired an attorney who successfully defended the lawsuit on behalf of the Whites. Investors Title paid \$30,154 in fees and costs to defend and establish clear legal access for the Whites.

### Disappearing Money

John and Melinda Stonepool purchased an owner's policy from Investors Title with a coverage amount of \$116,000 which covered the value of their newly acquired property. Soon after buying the property, the Stonepools received a notice of foreclosure on a prior lien that the seller owed and that was to be paid at closing.

The Stonepools filed their claim with Investors Title who discovered the seller's loan had not been paid off at closing by the settlement agent. Further investigation revealed that the attorney had negligently supervised his paralegal and failed to prevent the money from being embezzled. Investors Title paid \$68,051 to the seller's lender to prevent foreclosure of the Stonepools' property.

### The Missing Heir

Arlene and Richard Taylor attempted to obtain a construction loan to build a house on a lot purchased from John McLean, Jr. for \$20,000. The property had been passed through the McLean family to John and his sister Susan. The title searcher failed to discover Susan McLean's interest. The Taylors filed a claim with Investors Title when their attorney discovered the issue.

After locating Ms. McLean in another state, Investors Title paid \$7,000 for her interest in the property. Investors Title also paid the Taylors' attorney to prepare and record the deed in order for the Taylors to obtain their construction loan and build their home.

*The claims examples are real. The names of the parties involved have been changed to protect their privacy.*