



Why TITLE INSURANCE?

WHAT IS IT? WHY DO YOU NEED IT? HOW MUCH DOES IT COST? If you have ever bought or sold real property before you may be familiar with title insurance. Often, however, the purchaser knows very little about its purpose and necessity. What does it really do and protect?

WHEN YOU INSURE YOUR CAR OR YOUR HOME, THE INSURANCE COMPANY IS “ASSUMING” CERTAIN RISKS. That is, they weigh the likelihood of a certain event happening, evaluate the risk associated with that event, and charge an annual premium for the assumption of that risk. This is referred to as “Risk Assumption” because they are insuring against matters that may occur.

TITLE INSURANCE IS OFTEN REFERRED TO AS “RISK ELIMINATION” INSURANCE. The title insurance policy insures against matters that appear in the public record prior to your purchase. This allows you to rest comfortably knowing that there is no one who will one day claim some interest in your property. This form of insurance eliminates the risk associated with real property ownership in this regard.

FOR THIS PEACE OF MIND, THERE IS ONLY A ONE-TIME PREMIUM FOR A TITLE INSURANCE POLICY. The premium is a state regulated fee based upon the purchase price and is charged at close of escrow. This is very different from other forms of insurance where risk is constantly re-evaluated and an annual premium is charged.

FOR MOST, THE PURCHASE OF A HOME IS ONE OF THE LARGEST INVESTMENTS IN A LIFETIME. The whole purpose of title insurance is to protect the title to that investment. If someone should assert a claim against your title, the policy will be there to protect you. Most importantly, though, the research that has been done greatly decreases the chances for any possible claims. This form of insurance lets you rest comfortably knowing that your home is just that — yours.

The Experts You Need and The Partners You Can Trust.



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