

WHY TITLE INSURANCE?

1. Title Insurance protects that which for most persons is the largest single investment they will ever make.
2. Title Insurance is a bargain. The protection of the title insurance policy, for a single, one time premium, will protect you as long as you have an interest in the insured land, whether as an owner or because of warranties which the Insured may make when selling or mortgaging the land.
3. Title Insurance is different from most other forms of insurance in that the major cost factor is not in paying claims (although those costs are substantial) but, rather include substantial costs in identifying and resolving potential problems to prevent losses from occurring and thus providing peace of mind and quiet enjoyment for the insured. This is, somewhat, analogous to boiler insurance.
4. Title Insurance, unlike almost all other forms of insurance, insures over matters which have already occurred (although they may be difficult, if not impossible to ascertain) whereas other forms. of insurance cover future events (either whether or not they will happen - and if so, the severity of the event) such as casualty or health insurance or when the event will occur (life insurance).
5. The cost of producing Title Insurance is substantially higher than other forms of insurance. In other forms of insurance, statistical analysis of risk can be extended to "mechanical" rate premiums for insurance applications. In Title Insurance, however, skilled technicians must analyze each title history to determine, and attempt to cure any outstanding title defects - and even then cannot identify all factors which may impair title such as mistakes in identity, fraud, incompetency, minority etc.
6. The Title Insurance charge is a relatively minor cost in most real estate transactions. Consumers frequently look at "closing costs" as a single item and then convert that cost into a mental picture of "tide insurance".

In reality, Title Insurance is a minor cost compared to governmentally mandated and collected charges which include recording costs and taxes (often denominated as "fees") as well as costs associated with mortgage financing and sales commissions.