



A Guide to the Benefits of Title Insurance

THE BENEFITS OF TITLE INSURANCE

Title insurance issued by Old Republic Title provides a broad range of benefits to the parties involved in a real estate transaction.

Benefits for the Purchaser of Real Estate

The purchaser of real estate needs protection against serious financial loss due to a defect in the title to the property purchased. For a single, one-time premium, which is a modest amount in relationship to the value of the property, a buyer can receive the protection of a title insurance policy – a policy that is backed by the reserves and solvency of the Company. A title insurance policy will cover both claims arising out of title problems that could have been discovered in the public records, and those so-called "non-record" defects that could not be discovered in the record, even with the most complete search.

A title insurance policy will not only protect the insured owner, but also that person's heirs for as long as they hold title to the property. The Company will not only satisfy any valid claim made against the insured's title, but it will pay for the costs and legal expenses of defending against a title claim.

Benefits for the Lender

The overwhelming majority of mortgage loans made in the United States are made by persons who are acting in a fiduciary capacity – by savings and loan associations, savings banks, and commercial banks on behalf of their depositors, and by life insurance companies on behalf of their policyholders. Because they are lending other people's money (other people's savings or policyholder's funds) these lenders must be concerned with the safety of their mortgage investments.

A policy of title insurance provides a mortgage lender with a high degree of safety against the loss of security as a result of a title problem. This protection remains in effect for as long as the mortgage remains unsatisfied.

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Old Republic Title also provides lenders with in-depth expertise on a wide variety of title related matters to facilitate the mortgage loan process.

Benefits for the Seller

An owner of real property whose interest is insured by an owner's title insurance policy has the assurance that the title will be marketable when selling the property. The title insurance policy protects the seller from financial damage if the seller's title is rejected by a prospective purchaser.

Benefits for the Real Estate Broker

The title insurance company and the real estate agent both seek to ensure that as many purchases as possible are closed to the satisfaction of all the principals in the transaction. From the broker's standpoint, the efficient and safe transfer of title will result in client satisfaction, increased prestige, and continued business.

Apart from the security that title insurance offers, most brokers have experienced numerous instances in which title insurance personnel have enabled them to close transactions that otherwise would have been delayed. By helping to avoid delays, Old Republic Title is able to facilitate the job of the real estate broker and to minimize the inconveniences and costs to the homebuyer.

Benefits for the Home Builder

By providing various title insurance services and information to the home builder, the title insurance industry can and does assist the builder in identifying and evaluating building and use restrictions, easements, etc., in removing title problems that may arise, and in facilitating prompt and needed disbursement of construction funds from the construction lender. All of these services ultimately rebound to the benefit of the buyers of newly constructed homes.

Benefits for the Community In General

Apart from the unique benefits title insurance offers to particular parties interested in a real estate transaction, title insurance companies can and do offer considerable assistance to public officials through the use of their "title plants" – the data banks of reorganized and indexed public records that are maintained by the Company in many areas of the country.

Much of the information contained in title plants is not readily available from other sources. This fund of information about the date of recent sales, representative sale prices, ownerships, area maps, use restrictions, surrounding properties, and a host of other matters pertinent to proposed projects, has helped representatives from all levels of government save countless hours and taxpayer dollars. In addition, title plant people frequently help recording officers correct errors they discover in public indices and records.