

The Value of Title Insurance

The Title Industry is an important part of every American's life. It may seem like a grandiose claim, but the work we do benefits not only each individual policyholder, but the nation as a whole. And yet, many people are unfamiliar with what title insurance is, what it does for them and the benefits of having a healthy title industry. So we'd like to offer a quick glimpse into what we do for our customers day in and day out at Stewart and the benefits all Americans receive from the work done by the title industry.

We protect policyholders from the unknown

More than likely, your home is your biggest investment, and we protect your interest in that investment. Title insurance protects real estate owners and lenders against any property loss or damage they might experience because of liens, encumbrances or defects in the title to the property. Each title insurance policy is subject to specific terms, conditions and exclusions. While other types of insurance (such as flood, auto or homeowners insurance) provide coverage that focuses on possible future events, title insurance protects against loss from hazards and defects already existing in the title to a property. Some examples of such defects might be improperly executed documents from a previous sale of a lien against a previous owner. [You can view a list of many of the protections provided by title insurance here.](#)

Over half of all real estate transactions have a problem somewhere in the chain of title, we find these issues and assist in taking corrective action to enable the transactions to go through and allow our customers to have peace of mind about their new home purchase.

Title insurance provides valuable protection at a good value

Another difference between other types of insurance and title insurance is in how the policies are paid for. Title insurance is purchased with a one-time premium and provides coverage for as long as the policyholder or their heirs own the property. This is unlike the annual or monthly premiums you must pay for other insurance types.

Examine the cost of title insurance over the life of the policy versus other types of insurance and you'll find that policyholders receive a great value for the money they spend.

If a homeowner were to pay the national average cost of a title insurance policy and live in their home for just five years, the annual average cost of the title insurance policy would be less than \$200 a year.

By comparison, the national average cost of a homeowner's insurance policy is over \$700 dollars per year.

The title industry provides benefits to the entire country, not just our policyholders

Beyond the security and peace of mind we provide to our customers, the title industry helps to improve the transaction process in ways that benefit all of the transaction parties and the country as a whole.

- We save consumers \$10 billion annually in interest cost through timely closings, putting those dollars to work in the hands of the American homeowner
- By expediting the closing process, we save consumers and the real estate industry \$1 billion a day
- We provide educational materials concerning the real estate process that empower consumers and help improve their transaction experience
- We help collect \$1.75 billion in delinquent Federal taxes annually, lessening the tax burden for everyone
- We help collect \$325 million in past due child support annually, enabling children to be properly cared for

We'd like to help you learn even more about title insurance, the industry and the real estate transaction process. Please browse through the links on this page to find helpful information on our website as well as several downloads you can read at your leisure. Should you have any questions you can't find the answers to here, please don't hesitate to [contact your local Stewart office for more information.](#)

Source: American Land Title Association, July 2009 and August 2008.

ALTA Policy Comparison



COVERAGE

		ATLA Standard CLTA	ATLA Residential	ATLA Homeowner
1	Someone else owns an interest in your title.	▲	▲	▲
2	Someone else has rights affecting your title from leases, contracts, or options.	▲	▲	▲
3	Someone claims title rights arising out of forgery or impersonation.	▲	▲	▲
4	Someone else has easement on the land.		▲	▲
5	Someone else can limit your use of land.		▲	▲
6	Your title is defective.		▲	▲
7	Any of covered Items 1 through 6 occurring after policy date.			▲
8	Someone has lien on your title including: a) Mortgage; b) Judgments, state or federal tax lien, or special assessment; c) Charge by homeowners or condominium association; or d) Mechanic's Lien, occurring before or after policy date.	▲ ▲	▲ ▲	▲ ▲
9	Someone has an encumbrance on your title.			▲
10	Someone else claims rights based on fraud, duress, incompetence, incapacity affecting your title.	▲	▲	▲
11	Lack of both actual vehicular and pedestrian access to and from the land based on a legal right.			▲
12	You must correct or remove any existing violation of any covenant, condition, restrictions even if these matters are excepted in Schedule B.			▲
13	Your title is lost or taken because of the violation of a covenant, condition, or restriction which occurred before you acquired your title even if the exception appears in Schedule B as an exception			▲



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ALTA Policy Comparison



COVERAGE

		ATLA Standard CLTA	ATLA Residential	** ATLA Homeowner
14	<ul style="list-style-type: none"> An existing violation of a subdivision law or regulation affecting the land and as a consequence: <ul style="list-style-type: none"> a) You cannot obtain a building permit b) You are forced to correct or remove the violation; or c) Someone has a legal right to, and does refuse to perform a contract to purchase, lease or make a mortgage loan on the land 			▲ ▲ ▲
15	<ul style="list-style-type: none"> You must remove or remedy any existing structures other than boundary walls or fences because of the failure to obtain a building permit. 			▲
16	<ul style="list-style-type: none"> You must remove or remedy existing structure because of a violation of existing zoning law or regulation. 			▲
17	<ul style="list-style-type: none"> Land cannot be used as single-family residence because of the violation of an existing zoning law or regulation. 			▲
18	<ul style="list-style-type: none"> You must remove existing structures because of an encroachment onto your neighbor's land. If structures are boundary walls and fences, coverage is limited by a deductible. 			▲
19	<ul style="list-style-type: none"> Someone has a legal right to purchase, lease, or make a mortgage on the land and refuses because neighbor's existing structures encroach on the land. 			▲
20	<ul style="list-style-type: none"> Forced removal of existing structures because of encroachment on to easement or over building set back line even if shown as a Schedule B exception. 			▲
21	<ul style="list-style-type: none"> Damage to existing structures by exercise of any right to use or to maintain any easement affecting land even if shown as a Schedule B exception. 			▲
22	<ul style="list-style-type: none"> Damage to existing improvements including lawn, shrubbery, and trees resulting from, right to use surface of land to extract water, minerals or any other substance even if shown as a Schedule B exception. 			▲
23	<ul style="list-style-type: none"> Someone tries to enforce a discriminatory covenant, condition, or restriction that they claim affects your title. 			▲
24	<ul style="list-style-type: none"> Assessment of supplemental real estate taxes not previously assessed against the land for any period prior to the policy date because of construction or a change of ownership or use occurring before policy date. 	▲	▲	▲
25	<ul style="list-style-type: none"> Neighbor builds structures after policy date-except boundary walls or fences which encroach on land. 			▲
26	<ul style="list-style-type: none"> An unmarketable title which allows someone else to refuse to purchase the land, lease it, or make a mortgage on it. 			▲
27	<ul style="list-style-type: none"> A document on which your title is based is invalid because it was not properly signed, sealed, acknowledged, delivered, or recorded. 	▲	▲	▲
28	<ul style="list-style-type: none"> The residence with the address shown in Schedule A is not located on the land. 			▲
29	<ul style="list-style-type: none"> The map, if any, attached to this policy does not show the correct location of the land according to the public record. 			▲

* Subject to deductible and a maximum indemnity liability, which may be less than indemnity amount.

** The charge for this policy is an additional 10% based on the applicable rate. It applies only to a 1-4 unit family residence and only if each insured is a natural person. Because of the nature or location of certain properties, an inspection of the property may be necessary to determine if additional exceptions from coverage need to be shown in Schedule B of the ALTA Residential Policy or ALTA Homeowner's Policy, which will be noted in the preliminary report. The foregoing table is intended to highlight only some important aspects of coverage and is not to be construed as expanding or limiting the coverage as set forth in the before mentioned policies. Copies of these policies are available upon request. Decisions on coverage should be made only after review of the policies themselves.

Stay a step ahead. Be sure to specify Advantage Title.

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