

Title Insurance Explained

It's part of Protecting Your home

Buying a home may be the biggest investment you'll ever make. Your homeowners insurance protects your investment against physical hazards like fire and theft, but it does not cover your most precious possession - the security of your title to the property.

Title insurance is the only way to ensure COMPLETE PROTECTION.

You may wonder, "Why do I need another insurance policy?" The answer is simple: The purchase of a home is most likely one of the most expensive and important purchases you will ever make. You, and your mortgage lender, want to make sure the property is indeed yours - lock, stock and barrel - and that no individual or government entity has any right, lien, claim, or encumbrance to your property.

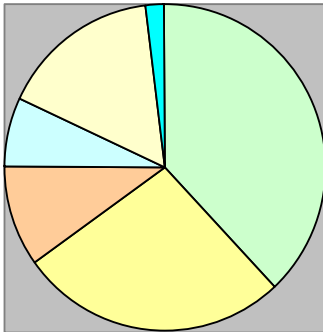
Title companies routinely issue two types of policies - "owner's" which covers you, the home buyer; and "lender's" which covers the bank, or other lending institution over the life of the loan. Both are issued at the time of purchase for a modest, one-time premium.

Before issuing a policy, however, Consumer Title performs an extensive search of relevant public records to determine if anyone other than you has an interest in the property. With such a thorough examination of records, any title problems usually can be found and cleared up prior to your purchase of the property. Once a title policy is issued, if for some reason any claim which is covered under your title policy is ever filed against your property, **the title company will pay the legal fee** involved in defense of your rights, as well as any covered loss arising from a valid claim. That protection, which is in effect as long as you or your heirs own the property, is yours for a one-time premium paid at the time of purchase.

The fact that title companies work to eliminate risks before they develop makes the title insurance decidedly different from other types of insurance you may have purchased. Most forms of insurance assume risks by providing financial protection through a pooling of risks for losses arising from an unforeseen event, say a fire, theft or accident. The purpose of title insurance, on the other hand, is to eliminate risks and prevent losses caused by defects in title that happened in the past. Risks are examined and mitigated before property changes hands.

Isn't sleeping well at night, knowing your home is yours, reason enough for title insurance?

COMMON CLAIMS



- Hidden defects
38% of all claims
- Taxes etc 28%
- Undischarged
Mortgages 10%
- Legal Access
issues 7%
- Search & Closing
Errors 16%
- Recording Errors
2%

What other risks are common?

Confusion from similar names
Undisclosed or missing heirs
Fraud/impersonation
Forged Documents
Signatures from minors or mentally incompetent persons
Wills not probated
Surviving children omitted from a will
Misrepresentation of Marital status

LENDERS/OWNERS POLICIES

The Lenders policy is required by your lender for their title protection, but does not cover any claims that you, the owner may have. **The Owners policy** is your protection. It will provide you with immediate and expert legal support if a claim is filed. The owners policy will also help when you want to sell your property. A one time fee is paid at closing with no further payments needed and your policy will be effective as long as you or your heirs own the property - and even after you sell it!

Please call us if you have any questions!

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