

Why Title Insurance is Important and Worth the Money

Understanding the value of the Owner's Title Insurance Policy

- 1 Title insurance protects the interests of property owners and lenders against legitimate or false title claims by previous owners or lien holders. It insures the investment, unlocking its potential as a financial asset for the owner.
- 2 At Fidelity National Title we access, assemble, analyze, and distribute title information, in addition to handling escrow and closing.
- 3 Title problems are discovered in more than one-third of residential real estate transactions. These "defects" must be resolved prior to closing. The most common problems are existing liens, unpaid mortgages, and recording errors of names, addresses or legal descriptions.
- 4 A homeowner's title insurance policy protects the owner for as long as he or she has an interest in the property; and the premium is paid only once, at closing.
- 5 Title insurance is different from other forms of insurance because it insures against events that occurred before the policy is issued, as opposed to insuring against events in the future, as health, property or life insurance do. Title insurance is loss prevention insurance.
- 6 Fidelity National Title relies on a thorough search of existing records to identify all possible defects in order to resolve them prior to issuing a policy. We perform intensive – and expensive work



up-front to minimize claims. The better we do this, the lower our rate of claims and the more secure your level of protection.

- 7 Researching titles is extremely labor-intensive since only about 15 percent of public records are computerized. The industry invests a substantial amount of time and expense to collect and evaluate title records. As a result, the industry's claims experience is low compared to other lines of insurance.
- 8 Title Insurance companies by law are required to file rates with the Colorado Division of Insurance (DORA). Consumers may be inclined to find the lowest rate, but if the company is lower than market rate they may not have the expert staff and resources to provide you with the knowledge and standard of service you deserve.

Real estate is one of your most important investments. Consumers want to know they are receiving value and protection for the products they purchase. Dollar for dollar, title insurance is the best investment you can make to protect your home.