

# Title Insurance

## What Is It For And How Does It Work?

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Fire insurance protects you against losses from fire. Collision insurance guards you against the cost of a damaged car. Theft insurance – well, you get the idea. Title insurance protects your title to real estate that you are about to acquire. To understand why title protection is essential, we need to consider real estate for a moment.

### Your Ownership of Real Estate

Real estate is so basic a form of wealth that many special laws have been enacted to protect ownership of land and the buildings which stand on the land. You should realize whenever you buy property that the owner who is selling it to you has extremely strong rights as do his family and heirs. There may also be others, in addition to the owner, who have “rights” in the property you are going to buy, perhaps governmental bodies or contractors, for example. Some of the things a title search uncovers are previous owners, easements, and many other court actions or recorded documents which can affect title to real estate.

### Protecting You Against Hidden Risks

Protection against loss from covered claims on real estate which cannot be discovered by examination of the public records is another part of the benefit which Stewart Title of Austin provides. For example, the title to the home, which you have paid for and for which you have received a deed, could be threatened or lost by circumstances, such as forgery, confusion due to similar names or error in the records.

### How A Title Insurance Policy Protects You

If a claim is made against your title as covered by your policy, Stewart Title protects you by:

- ▶ Defending your title, in court if necessary, at our expense
- ▶ Bearing the cost of settling the claim if it proves valid, in order to perfect your title and keep you in possession of your property

### Summary

Owner's title insurance provides a guarantee that the insured will suffer no loss by reason of a covered claim to or attack on the title.

### And You Only Pay Once

Unlike other forms of insurance, the original premium is your only cost for as long as you own the property. There are no annual payments to keep your owner's title insurance policy in effect.