

## Why Do You Need Title Insurance?

First American Title is in business to make sure your rights and interests to the property are clear, that transfer of title takes place efficiently and correctly, and that your interests as a home buyer are protected to the maximum degree.

First American routinely issues two types of policies. An Owner's Policy covers you, the home buyer; and a Lender's Policy covers the bank, savings and loan or other lending institution over the life of the loan. Both are issued at the time of purchase for a modest, one-time fee.

Before issuing a policy, however, First American performs an extensive search of the public records to determine if anyone other than the party selling the home 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, First American will pay the legal fees involved in defense of your rights, as well as any covered loss arising from a valid claim. This protection, which is in effect as long as you or your heirs own the property, is yours for a one-time premium.

The fact that First American works to eliminate risks before they develop makes title insurance much different than 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, like a fire, theft or accident. The philosophy 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.

This risk elimination has benefits to both you, the home buyer, and to us as the insurer; it minimizes the chances adverse claims might be raised, and by so doing reduces the number of claims that have to be defended or satisfied. This keeps costs down for First American and your title premium low.

Buying a home is a big step emotionally and financially. When you use First American you are assured that any valid claim against your property will be borne by us, and the odds of a claim being filed are slim indeed.

Isn't sleeping well at night, knowing your home is yours, reason enough for a title insurance policy from First American Title Company?

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