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**WHY DO I NEED OWNER'S TITLE INSURANCE
WHEN I BUY A HOME?**

Why should I have Owner's Title insurance when I buy a home? (20 reasons)

Buying a home can be the wisest and most rewarding investment you'll ever make. Title insurance plays a major role in making certain that your home ownership is safe and secure. The purpose of this memorandum is to give you a clearer understanding of owner's title insurance and the benefits it offers.

I thought the bank or lending institution always had the title insured ... doesn't it?

It usually does, but its policy only insures its own interest in your property. You could lose your equity if you do not have Owner's Title Insurance.

Couldn't an attorney search the title and render an opinion?

Yes, and a search by an attorney or expert title professional takes place before a policy is issued. But title insurance goes further. If a defect in the title - any defect not shown as an exception in your policy - should turn up later, you are protected against loss by your title insurance within the limits of the policy.

Just what is a title defect?

It is one of a number of things that could jeopardize your interest. It could be an unsatisfied mortgage, lien, judgement or other recorded claim against the property. It could arise through easements, use restrictions or other existing covenants. Or it could be a hidden risk. To name only a few of these: fraud or forgery in previous documents; improperly executed deeds; the marital status of previous owners; deeds executed under expired powers of attorney . . . the list could go on and on. A look at court records would not reveal many instances of these and hundreds of other ways in which parties you never have heard of could claim an interest in your home.

You mean an Owner's Title Insurance policy insures against these title defects occurring?

No. But Owner's Title Insurance does eliminate the risk of loss to you through claims against the title as insured in your policy. The underwriter assumes all legal expenses involved in adjudicating claims attacking your title, within policy limits, even though they may occur through errors made in public records.

If I didn't have Owner's Title Insurance, how serious would a claim against my home be to me personally?

It could be very serious. It would mean you would have to withstand all the expenses involved with the defense of your rights, and could even result in complete loss of your equity if your defense proven unsuccessful.

Is Owner's Title Insurance as important to me as fire or property damage protection?

Emphatically yes. Loss from title deficiencies can be as great as, or even greater than fire or other damage.

If Owner's Title Insurance is so important and covers so much, isn't it expensive?

No. Owner's Title Insurance is one of the most inexpensive forms of insurance. Rates vary from region to region and depend on the amount of service required. But the premium is surprisingly low in relation to the cost of your home - one of the most important purchases you will ever make.

Do I pay only one premium?

Yes, and this modest premium insures your home for as long as you or your heirs have an interest in it. It's best to have your owner's policy issued at the time you take title to your property. This eliminates the need to pay for having the title search done a second time. So for a one time premium paid during the closing process, your title insurer assumes responsibility for ALL legal expenses to defend the title to your property.

Twenty (20) Important Reasons **why you should have Owner's Title Insurance**

Owner's Title Insurance not only will protect you against hidden risks that would not be disclosed by even the most meticulous search of public records, but also will pay for the defense of your title as insured.

- 1) Forgery
- 2) Fraud in connection with the examination of documents.
- 3) Undue influence on a grantor or executor.
- 4) False personation by those purporting to be the owners of the property.
- 5) Incorrect representation of marital status of grantors.
- 6) Undisclosed or missing heirs.
- 7) Wills not properly probated.
- 8) Mistaken interpretation of wills and trusts.
- 9) Mental incompetence of grantors.
- 10) Conveyance of a minor.
- 11) Birth of heirs subsequent to the date of the will.
- 12) Incorrect legal descriptions.
- 13) Non-delivery of deeds.
- 14) Unsatisfied claims not shown on the record.
- 15) Deeds executed under expired or false powers of attorney.
- 16) Confusion due to similar or identical names.
- 17) Dower or curtesy rights of ex-spouses or former owners.
- 18) Incorrect indexing.
- 19) Clerical errors in recording legal documents.
- 20) Delivery of deeds after the death of a grantor.