

# What Is Title Insurance?



Fast Facts

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## What Is Title Insurance?

A title insurance policy protects a real estate owner or lender against any loss or damage they might experience because of liens, encumbrances, or defects in the title to said property, or the incorrectness of the related search.

## How Does Title Insurance Differ From Casualty Insurance?

Casualty Insurers (Car, life, health, etc.) assume risk for *future* events, collecting monthly or annual premiums. A title policy insures the *past* of the real property and the people who owned it, for a one-time premium paid at the close of escrow.

## Who Needs It?

Purchasers and lenders need title insurance to know the property they are involved with is insured against various possible title defects. Whether it's a sale, refinance, construction loan... the seller, buyer and lender all benefit.

## What Does Title Insurance Cover?

Title insurance protects against claims from various defects such as another person claiming an ownership interest, improperly recorded documents, fraud, forgery, liens, encroachments, easements and other items that are specified in the actual policy.

## How Is A Title Policy Created?

After the escrow officer or lender opens the *title order*, **Fidelity** begins a *search* of the public records including the County Recorder, Federal and State Agencies, and County and City Offices. A Preliminary Report is issued to the customer for review and approval. All closing documents are recorded upon escrow's instruction. When recording has been confirmed, demands are paid, funds are disbursed, and the actual title policy is typed and sent to the insured.

## What Types Of Policies Are Available?

A standard CLTA "Owner's" policy insures the new owner, the home buyer and an ALTA or CLTA "Lenders" policy insures the priority of the lender's security interest. **Fidelity** offers an extended coverage ALTA-R (residential) policy to owners of 1-4 unit property. **Fidelity** issues this extended coverage automatically on qualifying properties at *no* additional charge. Special Binders, Guarantees and Endorsements are also available.

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