

# WHAT IS TITLE INSURANCE?

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Title insurance is different from other forms of insurance because it insures against events that occurred before the title policy is issued, as opposed to insuring against events in the future, as health, property and life insurance do. Title insurance is in essence loss prevention insurance.

When purchasing real estate, it is of utmost importance that you receive clear title to the property. In order to do so, you must first be informed of any existing rights or claims that may be asserted against the property, then any of those rights or claims that are unacceptable to you must be resolved or extinguished prior to your purchase of the property.

In Texas, many property records go back to grants from the 1880s, hence it is important that the full history of the property is thoroughly researched and presented to you.

## **WHEN IS THE PREMIUM PAID?**

Unlike other forms of insurance, for a relatively low one-time premium, the original title premium is your only cost protecting you for as long as you and your heirs own the property. The premium is paid at closing and there are no annual payments to keep your Owner's Title Insurance Policy in force. Rates for title insurance are regulated by the state and are promulgated in Texas.

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