
What You Need To Know

Question:

What is the likelihood of there being a title problem that is not covered by the attorney's search?



Answer:

The likelihood is not great, but the financial ramifications could be devastating. It is very expensive and time consuming to go to Court to cure even simple title problems, and since, in many instances, problems are discovered at the time of a proposed sale, it can result in the loss of the sale.

Question:

What does title insurance do if a title problem is discovered?

Answer:

If the insured is a defendant in a lawsuit involving a covered matter, the company hires counsel and pays the costs of defense, even if the action against the insured has no merit. If there is a loss to be paid under the policy then our reserves, the largest in the industry, cover it.

Question:

Can I buy title insurance from my local insurance agent for less money?

Answer:

No, title insurance can only be purchased from an attorney who is approved by a company as an agent, and the premium rates are set by the company and not the agent.



Chicago Title



Chicago Title Insurance

WHAT IS TITLE INSURANCE?

Frequently Asked Questions

What you should know about this beneficial insurance.

- Why do I need it?
- What does it cost?
- How long does it last?

MANAGING RISK IN REAL ESTATE TRANSACTIONS

In Connecticut, the attorney who represents the bank or borrower is required by law to search the title to the property which, is being mortgaged and to certify that the Buyer has a good, clear, record and marketable title.

The Buyer must pay the legal fees for the title examination. The bank will also require that the Buyer purchase title insurance from an approved title insurance company to insure its mortgage. This is known as Lender's Title Insurance. The Buyer must pay the premium even though the policy benefits only the bank. However, at the loan closing, the Buyer will be given the opportunity to purchase Owner's Title Insurance, which does benefit the Buyer.

This is purely optional and there will be an additional fee, which depends on the amount of the sale price and the mortgage. In deciding whether or not to buy Owner's Title Insurance, many questions are raised, including the following:

Frequently Asked Questions

Question: Why would I want title insurance if an attorney has done the title search?

Answer: The title search is based on the record title for the last 40 years. If a problem does not appear on the record or appears beyond the 40 year period, then the attorney who performed the search is not responsible. The attorney is also not responsible for fraudulent or forged documents appearing on the record. Title insurance guarantees that the title is good both on and off the record, is not limited to a 40 year period, and does protect against fraud and forgeries. Also, the attorney may not be practicing or deceased.



Question: Can I buy title insurance at a later date?
Answer: Yes & No. No if purchased within 30 days of purchasing the original loan policy. Yes if purchased after 30 days. It will be more expensive because you will have to pay again to search the title, and you will not get the benefit of a reduced premium because of the simultaneous purchase of Owners and Lenders Title Insurance.

If you were to purchase an castle enhanced owner's policy in the amount of \$200,000.00 with a loan policy for \$150,000.00 the costs would be as follows:

Title Premium for both policies: \$ 825.00
Title Search: \$ 150.00
Total Cost: \$975.00

If you purchase a loan policy only:

Title Premium for loan policy: \$ 543.00
Title Search: \$ 150.00
Total Cost: \$693.00

If owner policy for \$200,000 is then purchased at a later date:

Owner Premium for original \$150,000: \$ 825.00
Title Continuation: \$ 100.00
Total Cost: \$925.00

Total additional cost is Loan Policy at \$693.00 plus Owner Policy at \$925.00 for a total of \$1618.00 when purchased separately.

Question: If I buy title insurance for the value of my home, what happens if the property increases in value?

Answer: Title Insurance has a built-in inflation rider that increases the amount of the policy as the property normally appreciates up to a limit of 150% of the original amount.

Question: How long is title insurance good for and do I have to pay again if I refinance in the future?

Answer: Owners Title Insurance is in effect for as long as you own the property. Refinancing the mortgage has no effect. Lenders Insurance only covers a particular loan and a new policy would have to be purchased for a new mortgage at a reduced rate.

Chicago Title Insurance
10 Columbus Blvd
Hartford, CT 06106
860-249-1661

