



# WHAT IS TITLE INSURANCE?

Unlike property and casualty insurance, such as auto or homeowner's insurance which protects against potential *future* events, title Insurance protects the owner of real property from events and matters in the *past* which might result in loss or damage. Title Insurance assures the owners of real property that their title is free and clear of anything affecting its marketability. There is a one-time premium for title insurance and coverage lasts as long as the insured owner, and his or her subsequent heirs, remains the owner of the property.

## THE TITLE SEARCH

Real estate is a valuable possession and investment, so it is important to have the assurance you are receiving title to the property free from defects. Hidden or unknown defects in title can create substantial losses, up to and including the loss of the property itself. The process of insuring a real estate transaction begins with a search and examination of public records to determine who owns the property, discovery of all liens and encumbrances against the property or its owner, disclosure of easements and restrictions, and disclosure of all other recorded interests in the property.

Title companies research and report all defects in the title to the subject property so such matters will be corrected and cleared up before the transaction is closed. A thorough examination of public records brings to light matters which affect the title to real property, including but not limited to: unpaid taxes, mortgages, judgments, easements, and other interests in the property.

Notwithstanding the most thorough title search, there are occasions when unknown or hidden matters surface calling into question the integrity of title. Some examples include forged documents, recorded documents signed by people without the legal authority, undisclosed heirs, misinterpretation of instruments such as wills and deeds, judgments against previous owners unpaid debts, and typographical errors.

## NEW HOMES & BUILDINGS

Many people may not be aware that even new homes and buildings have potential issues, such as existing liens (mechanic/unpaid builder), title effects, etc.

## PROTECTING YOU AGAINST HIDDEN RISKS

If a claim is made against the title you insured through Northwest Title Company, we (through our underwriter) will defend your title by providing legal support in analyzing the claim, defending your claim, and bearing the cost of settling a claim, if it proves valid, in order to protect your title and keep you in possession of your property.

## IN SUMMARY

### What Does Purchasing a Title Policy from Northwest Title Company Mean To You?

By choosing Northwest Title Company, you are ensuring that your new purchase has been carefully reviewed by local title insurance professionals who are experts in our unique Colorado mountain region market. Using our significant resources to search your property, we will verify that your property is clear of defects. If there is ever a problem, you can have sound peace of mind, that in conjunction with our underwriters, you will be protected. Ask for Northwest Title Company, your local full service, independent title insurance agency serving the Colorado High Country.