

## What are YOU Paying for by Purchasing Title Insurance?

- You are paying for the knowledge, skill and “know-how” of title insurance experts who base their decisions on exhaustive searches on the titles to the security for your loan. Their objective is to eliminate guess work and the probability of loss.
- You are paying for protection against human errors that may cause financial loss to the lending institution:
  - Errors made by official recorder and their employees in indexing, copying and recording deeds, mortgages, wills and other legal documents that affect the titles to the properties on which you borrow.
  - Errors by city, county and state tax departments.
  - Errors in abstracting titles.
  - Errors in examining and reporting on the condition of titles or mistakes in construing wills, deeds, court proceedings, and other matters affecting the title to the security of your loan.
  - Errors by civil engineers or surveyors in surveying the properties.
  - Errors by state and federal courts in handing down decisions which may be reversed or overruled.
  - Overlooked judgments, taxes, assessments, mortgages, easements and other liens, encumbrances and objections to titles.
- You are paying for protection against financial loss, which may be suffered because of concealed title defects that cannot possibly be discovered by examining the titles to the security for your real estate loan, such as-
  - Forged deeds, releases, etc., in the titles to the properties on which you borrow.
  - False impersonations of former owners of the land.
  - Instruments executed under fabricated or expired power of attorney.
  - Undisclosed or missing heirs.
  - Deeds not legally delivered in the lifetime of the grantor.
  - Wills not probated
  - Deeds by minors or persons of unsound mind.
  - Deeds by persons supposedly single, but secretly married.
  - Marital rights of spouses supposedly, but not legally divorced.
  - Birth or Adoption of children after date of will.
  - Falsification of titled records.
  - Unrecorded liens (unpaid bills) for labor or material against your homes.
- You are paying for an insurance company to undertake at its own expense, the defense of the titles that secure your loan in all legal actions or proceedings alleging the titles to be other than as insured.
- You are paying for definite insurance contracts indemnifying the bank, according to their terms, against any loss or damage due to title defects backed by the known assets and reserves of a strong insurance company.
- You are paying for the only evidence of title that is universally accepted by the financial institutions to which the bank may later wish to sell your loan.
- In the state of Utah it is customary for the seller to protect the buyer, at his expense, by providing the buyer with an owner policy of title insurance as defined and provided by the real estate purchase contract for the buyers protection. Mortgage lenders require a loan policy of title insurance to be provided by the buyer. This Protects and Insures the lenders “First Lien Position”.