

Title Insurance in Maryland, D.C. or Virginia

By

The bottom line on title insurance is: "Get it or else." Whether you are buying a house or commercial property in Maryland, the District of Columbia or Virginia, you will be asked to buy title insurance. If you are taking a loan to buy the property, the lender will require that you purchase title insurance, not to protect you, but to protect the lender. For an additional premium, you can also get your own policy from the same title insurer. If you currently own your own house or commercial property, you most likely already have title insurance, but will need to renew it if and when you refinance the property.

What is title insurance? How does it protect me? Title insurance provides you with the promise from a title insurance company to reimburse you for any losses or damages you suffer as a result of a problem with the title to your property. The policy is a contract of indemnity and is not a guarantee of marketable title. It does not protect you against the things that affect your title which were matters of public record at the courthouse at the time the title insurance policy was issued. It also does not protect you against matters about which you had knowledge at the time you bought the policy.

When you purchased the property, it is likely there were recorded in the land records a whole host of things which affect your title. Those would include easements for the local utility companies, joint driveway easements, use restrictions, homeowner association covenants, condominium declarations and many others. The title insurance policy will not protect you against any recorded or otherwise known conditions which exist when you bought the policy. It will protect you against matters which existed as of the date you bought the property, but which were not in the public records and which were not known to you. Essentially, the policy protects you against surprise claims or hidden defects which surface after you bought the property.

Here are some examples of claims which are covered by a title insurance policy:

- A prior owner may claim that he still owns your property because the deed which conveyed title was a forgery.
- A bank may claim that its mortgage lien was illegally released due to a fraud and that it still has a priority lien on your property.
- Your neighbor four blocks away may claim that he has an "implied easement" to run his trucks through your property to get to the main road.
- A person may surface claiming that an earlier owner gave him an option to purchase your property and he now wants to exercise his option.

The revealing of unknown heirs or secret marriages, and the existence of mental incompetency are also examples of hidden defects which often pre-date your purchase but can surface at a later date.

Simply put, if anyone claims an interest in your property – either direct ownership, a lien or some other possessory interest – as long as you have title insurance, you have protection against third party claims. Title insurance is not cheap, but if you ever need it, you will be glad you bought it. As a popular ad campaign used to say, "Don't Leave Home Without It." If you want any further information on title insurance, contact us or our title company, Presidential Title, Inc.