



## What Is A Title Insurance Policy?

A title insurance policy is a policy of indemnity. The policy says that the insurer will indemnify the insured against loss if title to the property turns out to be anything other than what was shown in the policy and subject to the limitations by the terms of the policy and the exceptions set forth in Schedule B (exceptions to coverage). Other forms of insurance cover matters that occur subsequent to (after) the date of the policy. The standard title insurance policy does not insure against loss for matters that occur after the policy date (except in certain instances, such as construction lien coverage). Losses could be caused by matters “not of record”, like an unknown heir or by Schedule B (exceptions to coverage) not showing all of the matters that affect the title to the property. However, there are specialized products available today that will insure matters after the policy date (i.e. the ALTA Homeowner’s Policy that offers “expanded coverage” for example). The cost for expanded coverage is approximately 25% more than standard policy coverage and the potential claims for this specialized coverage are also subject to policy exceptions and limitations, and in some cases, even an insurance deductible.



