

Quick Quiz

Test Your Knowledge

(NAPSA)—If you have purchased a home, chances are you have heard about title insurance. Take this quiz to see how much you know—or think you know!

True or False? Look below for answers.

1. I don't need title insurance for myself because if there were a title problem they would have found it by now.

2. I bought lender's title insurance. That should protect me.

3. I've never heard of anyone collecting a claim, so I don't need title insurance.

4. In my state, it's the law that you must have title insurance.

5. Title insurance is expensive.

Answers

1. False. Many things can cloud a title, including failure to pay child support, alimony, taxes, parking tickets, and even the subcontractors for that home improvement.

2. False. Only owner's title insurance protects your interests in the property. If there is a problem with the title, only owner's title insurance will pay your legal fees to resolve it.

3. False. The title industry paid \$460 million in claims in 2002. Title companies find problems with the title in 25 percent of all transactions, and work to clear them up before issuing title insurance, thus reducing claims.

4. False. While most lenders require that you purchase lender's title insurance to protect their investment, there is no requirement by the state to do so.

5. False. You pay for owner's title insurance once at closing and it protects you for as long as you have an interest in the property. By contrast, you pay homeowner's insurance annually.

For more information on why you need title insurance, visit www.alta.org.

