

COMMERCIAL PROPERTY

# OWNER'S POLICY OF TITLE INSURANCE

Title insurance protects the insured against covered title defects affecting the insured property. When you buy commercial property, you expect to enjoy important property rights as part of your investment. For example, you likely expect to be able to rent or lease the property, to be free from debts or obligations not created or agreed to by you, and to be able to freely sell your property or pledge it as security for a loan. Title insurance is designed to protect these important property rights. Here are seven reasons you should purchase an owner's policy of title insurance on commercial property investment.

## **BUYING COMMERCIAL PROPERTY IS A BIG INVESTMENT**

For a one-time premium, an owner's policy of title insurance helps to protect it.

## **THE SELLER MAY NOT OWN THE PROPERTY OR HAVE AUTHORITY TO SELL IT**

Title insurance offers coverage against defects in title caused by fraud, forgery, incapacity, impersonation or the seller's lack of authority to sell the property. Commercial entities are often owned by complex legal entities, and you need to know that the seller has properly transferred ownership rights to you.

## **WARRANTIES IN YOUR DEED MAY NOT PROTECT YOUR OWNERSHIP OF THE PROPERTY**

Even if the seller warrants good title to you in the deed, the seller may not have the money to pay your losses if a problem arises, especially when the seller was a special purpose entity, as is often the case in commercial transactions. When you purchase an owner's policy of title insurance from First American Title, you have the financial power of First American to protect you against loss from covered claims.

## **THE POLICY MAY COVER MORE THAN JUST OWNERSHIP**

Depending on the type of policy issued, coverage insuring against loss due to disputes over boundaries, access rights and easements may be provided to you. Ask about available options for extended or expanded coverage via endorsement and otherwise.

## **A LENDER'S TITLE POLICY DOES NOT COVER YOU**

Your lender has required you to pay for a lender's policy of title insurance, but that policy only provides insurance to the lender. You are not covered, and cannot make a claim, under a lender's policy of title insurance.

## **THE HIGH COST OF CLAIMS**

Title disputes are not cheap. Are you prepared to pay a lawyer to fight for you in court? Title insurance includes coverage for legal expenses which may be necessary to investigate, litigate or settle an adverse claim.

## **COVERAGE FOR A ONE-TIME PREMIUM**

The premium for an owner's policy of title insurance is only paid once and covers you for as long as you hold an interest in the title to your commercial property.

Protect your rights in your commercial property investment by obtaining an owner's policy of title insurance from First American Title.

## **Three Rivers Settlement Services, Inc.**

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