



*Transferring  
wealth & wisdom  
from generation  
to generation*



*Edward E. Wollman, JD, LL.M. | Eric Solomon, JD, LL.M.*  
WOLLMAN, GEHRKE & SOLOMON, P.A.

## TITLE INSURANCE: DO NOT BUY YOUR HOME WITHOUT IT

Just imagine... after months of searching real estate listings and touring properties, you finally found your dream home. Details are negotiated and your offer is accepted. It is an exciting time for most people! Many signatures later the deal is officially closed and, after a stressful move your family is finally getting settled into their new home.

And now imagine just as you to start to exhale and let the reality of this momentous time in your life settle in, a certified letter arrives with most unwelcome news. Apparently, there is a lien against a previous owner of your new home, and the consequence of that lien is an issue you unexpectedly need to address. While this could be an expensive problem, thankfully your real estate attorney provided you sound advice and advised you to purchase an Owner's Policy of Title Insurance.

What exactly is title insurance? Title insurance provides protection against financial loss incurred in connection with the legal title to your real property. Unlike most other forms of insurance, title insurance operates retrospectively to cover things that have already occurred but were unknown at the time of your home purchase. A contested property title could result in the loss of your time, money or even worse, your home.

Conventional mortgage lenders require prospective owner's purchase a Lender's Title Insurance Policy and, will often describe an Owner's Title Insurance Policy as being optional. Some people believe that if the bank is conducting a title search as part of the mortgage approval process then there is no need to purchase an Owner's Title Insurance Policy. However, a Lender's Title Insurance Policy does not cover the Owner in the event of a valid claim. It only covers the lender. In many cash transactions prospective owners have often asked us "if the current owner has not had an issue then why I should purchase an Owner's title policy?"

What most do not know is that no matter how skilled the title examiner, a title search will not rule-out a relative, spouse, or heir-at-law from showing up one day alleging an interest in your

home. Even the most diligent title searcher may not uncover hidden hazards such as fraud or forgery, defective deeds, mental incompetence, similar or identical name confusion, or clerical errors in the official records.

Title agents, attorneys, and title insurance companies all sell title insurance in Florida. Rates, which are based on the purchase price for an Owner's policy and the loan amount for a Lender's policy, are promulgated by the Florida Department of Financial Services. Unlike other types of insurance coverages, a one-time premium is paid for your title policy and the policy remains in effect for as long as you own the property. When issued simultaneously, the Lender's policy is generally a mere \$25 additional.

Purchasing a title insurance policy is a relatively small, one-time investment that can provide long-term peace of mind. Skipping this important coverage is not worth the risk of a title defect arising after your home is purchased and potentially jeopardizing your ownership.

For most, a home is the single most expensive purchase one will make in their lifetime. Notwithstanding this magnitude of this expense, many are willing to forego some basic protections under the guise of saving a few dollars. Experienced legal counsel can help navigate the complexities of real estate transactions, including the issuance of a title insurance policy. Wollman, Gehrke and Solomon, P.A. has attorneys who exclusively practice real estate law and can advocate for your best interest throughout the process. For additional information please visit [www.probate-florida.com](http://www.probate-florida.com).

Go to [www.probate-florida.com](http://www.probate-florida.com) to read more about this subject. Learn how you can have your cake and eat it too.

*Ed Wollman is a FL Bar board certified wills, trusts and estates attorney with 26 years experience practicing in the state of FL.*

*Eric Solomon is licensed in Florida.*

2235 VENETIAN CT #5, NAPLES, FL 34109  
(239) 435.1533 — (239) 435.1433 FAX