

REASONS YOU NEED TITLE INSURANCE

The most thorough and competent title examination cannot protect your client against loss from hidden title defects. Following is a list of some types of title defects NOT appearing of Record insured against by an ALTA Title Insurance Policy to the extent not otherwise indicated in the Policy.

1. False impersonation of the true owner of the land and other instruments.
2. Forged deeds, releases of mortgages and other instruments.
3. Instruments executed under fabricated or expired powers of attorney. (Death or insanity of principal.)
4. Deeds apparently valid but actually delivered after death of Grantor or Grantee, or without consent of Grantor.
5. Deeds to or from corporations before incorporation or after surrender or forfeiture of charter.
6. Undisclosed heirs.
7. Misinterpretation of Will, Deed or other instrument.
8. Deeds by persons of unsound mind.
9. Deeds by minors.
10. Deeds by aliens.
11. Birth or adoption of children after date of will.
12. Children living at date of Will but not mentioned therein.
13. Mistakes in recording legal documents. (Incorrect indexing, errors and omissions in transcribing and failure to preserve original instruments.)
14. Lack of court's jurisdiction over persons in judicial proceedings.
15. Discovery of Will of a person thought to have died intestate.
16. Discovery of later Will after probate of first Will.
17. Federal Estate and gift tax liens.

18. State Inheritance and gift tax liens.
19. Capacity of foreign personal representatives and trustees to act.
20. Failure to include necessary parties in judicial proceedings.
21. Claims of creditors against property conveyed by heirs and devisees within prescribed time after owners' death.
22. Deeds which appear to be absolute on their faces, but which are held to be equitable mortgages.
23. Deeds in lieu of foreclosure set aside as being given under duress.
24. Ultra vires deed (beyond scope of power; unauthorized), because given under falsified corporate resolution.
25. Outstanding prescriptive rights not of record and not disclosed by survey.
26. Conveyance and proceedings affecting rights of servicemen protected by Service Members Civil Relief Act.
27. Errors in tax records. (For example, listing payment against wrong property.)
28. Conveyance by heir, devisee or survivor of a joint estate who murdered the decedent.
29. Defective acknowledgment due to lack of authority of notary (acknowledgment taken before commission or after expiration of commission).
30. Federal condemnations without filing of notice. (Federal law does not require filing of notice of taking in local recording office.)
31. Rights under Financing Statements filed under Uniform Commercial Code in the name of the debtor who may not be the owner of the property.
32. Record easement, but erroneous ancient location of pipe or sewer line which does not follow route of granted easements.
33. Demolition liens where city demolishes a building under statutory authority which is not recorded or are not recorded against the true owner.
34. Descriptions apparently but not actually adequate.

35. Fraudulent changes in existing records by persons other than recording officials. Changes in record by recording official without authority upon oral request or upon being presented with instrument changes after executions and recordation.
36. Ineffective waiver of tax liens by tax or other governing authorities repudiated later by successors.
37. Corporation franchise taxes as lien on all corporate assets, notice of which does not have to be recorded in the local recording office.
38. Wills revoked by marriage after executions when marriage not contemplated by terms of Will.
39. Special assessments where they become lien upon passage of resolutions and before recordation of commencement of improvements for which assessed.
40. Interests arising by Deeds to fictitious characters to conceal illegal activities on the premises.
41. Erroneous reports furnished by tax or zoning officials, but not binding on municipality.
42. Administration of estates and probate of Wills of persons absent but not deceased.
43. Undisclosed divorce of spouse who conveys as sole heir of deceased consort.
44. Tax homestead exceptions set aside as fraudulently claimed.
45. Break in the chain of title beyond period of examination of public records where running of adverse possession statute has been suspended. (True owner is incompetent, absent or incarcerated or title is held by the sovereign.)
46. Deed from Trustees of purported business trust which is, in fact, a Partnership or joint stock association.
47. Deed of Personal Representative under non-intervention Will when order or solvency has been fraudulently procured or entered.
48. Deed from record owner of land where he has sold property to another purchaser on unrecorded land contract and the purchaser has taken possession of the premises.
49. Void conveyances in violation of public policy. (Payment of gambling debt, payment for contract to commit crime or conveyance made in restraint of trade.)
50. Duress in execution of instruments.