WHICH TITLE INSURANCE POLICY SHOULD I CHOOSE?

To protect your client's investment in their new home, choosing the right title insurance is essential. The NWMLS default of the ALTA Homeowner's Policy offers the best comprehensive coverage, addressing a wider range of risks compared to Standard and Extended policies.

What are the three different types of owner's title insurance policies?

We hear this question often. There are three types of owner's policies; Standard, Extended, and ALTA Homeowner's. It's important to note that the ALTA Homeowner's Policy is specified by default on the NWMLS (Northwest Multiple Listing Service) Form 22.

Why would the ALTA Homeowner's policy be the top choice?

The ALTA Homeowner's policy offers the highest level of protection for homeowners that exceeds the coverage of the Standard or Extended policies. Some home buyers may not be aware of the risks to title that exist and thus not understand the explicit value of broader coverage. Nonetheless, buyers should know that they always have a choice.

What is the difference between the policy types?

Below you will find a comparison chart of the three title policies designed to help you understand the key differences between them.

POLICY PROTECTION AGAINST THE RISKS OF:	ALTA HOMEOWNERS	STANDARD OWNERS	EXTENDED
Record defects, liens, encumbrances, adverse claims or other matters not known or disclosed to the new owner that attach before date of policy	√	√	√
Forgery or Fraud in connection with the execution of documents	√	√	√
Undue influence on Grantor or mental incompetence of Grantor	√	√	√
Undisclosed or missing heirs	√	√	√
Wills not properly probated, mistaken interpretation of Wills and Trusts	√	√	√
Conveyance by minor(s), Conveyances by Corporation or Partnership without proper legal authority	√	√	√
Incorrect legal descriptions, non-delivery of deeds	√	√	√
Delivery of Deed after Death of Grantor	√	√	√
Clerical errors in recorded legal documents	√	√	√
Unmarketability of title as insured or lack of legal access	√	√	√

POLICY PROTECTION AGAINST THE RISKS OF:	ALTA HOMEOWNERS	STANDARD OWNERS	EXTENDED
Unrecorded liens	√		√
Survey and Boundary questions	√		√
Claims of parties in possession not disclosed by the public records	√		√
Easements or claims to easements not disclosed by public records	√		√
An existing violation of a subdivision law or regulation affecting the Land: • You are unable to obtain a building permit • You are forced to correct or remove the violation; or • Someone else has a legal right to, and refuses to perform a contract to purchase the Land, lease it or make a Mortgage on it. This covered risk is subject to; • A customer deductible amount of either 1% of Policy Amount or $2,500.00 (whichever is less) • Title Company's Maximum Liability is $10,000.00	√		
You are forced to remove / remedy your existing structures (or any part of them excluding boundary walls and fences) because any portion was built without the appropriate building permit. This covered risk is subject to; • A customer deductible amount of either 1% of Policy Amount or $5,000.00. (whichever is less) • Title Company's Maximum Liability is $25,000.00	√		
Certain zoning issues that force you to remove or make modifications to your existing structure. This covered risk is subject to; • A customer deductible amount of either 1% of Policy Amount or $5,000.00 (whichever is less) • Title Company's Maximum Liability is $25,000.00	√		
You are forced to remove your existing structure (s) because it (they) encroaches onto your neighbor's land. This covered risk is subject to; • A customer deductible amount of either 1% of Policy Amount or $2,500.00. (whichever is less) • Title Company's Maximum Liability is $25,000.00	√		
POST CLOSING COVERAGE:			
Another party owns an interest in your title	√		
Another party has rights affecting your title resulting from leases, contracts or options	√		
Another party claims to have rights affecting your title by forgery or impersonation	√		
Another party has an easement on the property	√		
Your title is defective	√		
Another party has the right to limit the use of your land	√		
Your neighbor builds any structures, after the policy date, other than boundary walls or fences, which encroach onto the land	√		

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