

Why you need Title Insurance



Independence
Title

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Tell the truth.

Do you really know what title insurance is?

Why most people should have it? Why it costs what it costs? Most people don't. In fact, a recent survey by the American Land Title Association revealed that most homebuyers think of title insurance as "just another fee" they have to pay to buy a home. They don't really know what it does, or how it protects them.

When you purchase a home, how can you be sure that the seller really owns the property and has the right to sell it to you? That there are no debts, liens or unpaid taxes that will become your problem? Title issues can limit your use and enjoyment of the property, as well as create a potential financial loss.

Title insurance is very unique compared to other lines of insurance. It does not address hazards that might occur after you buy the property. Instead, title insurance companies search for problems related to past ownership that need to be corrected or excepted from coverage before the property changes hands. In other words, title insurance covers mistakes and unknown factors that may exist prior to closing. The Texas Department of Insurance regulates title companies in Texas and sets fees, so there is no need to "shop" to compare premiums. A title policy premium is a one-time fee - there are no annual renewals like we pay for health, homeowner and auto insurance.

Once a sales contract has been signed by all parties, your title company searches the public records connected with the property and previous owners, going back many years. More than 1/3 of all title searches reveal a title problem that must be addressed before closing. For instance, a previous owner may have had minor construction done on the property but never paid the contractor, or the contractor did not pay his subcontractors, resulting in a lien claim. There may be a lien on the property for unpaid taxes by a previous owner, a missing signature of an heir in a prior transfer of the ownership, or failure to file a release of lien on a past mortgage.

Sometimes title problems occur because of matters that did not appear in the public records. To help protect purchasers in these instances, it is recommended that they obtain an Owner's Policy of Title Insurance to insure them against unforeseen problems.

Possible hidden title problems can include:

- Errors or omissions in deeds
- Mistakes in examining records
- Forgery
- Undisclosed heir
- Supplemental tax bills

The cost of Owner's Title Insurance, or the "Owner's Policy," is based on the sales price of the property. It protects the buyer(s) for as long as they or their heirs have an ownership interest in the property. For more information on the cost of premiums, please refer to the rate schedule included in this piece, or visit www.IndependenceTitle.com, choose your metro area, and go to the Title Premium Calculator in the Tools and Resources section.

Examples of Claims Against an Owner's Title Policy

Tax Example:

Mr. Buyer purchases a home from Mrs. Seller. Two years before the sale, Mrs. Seller added a detached garage, but did not get permits or notify the county tax office. Three years after Mr. Buyer purchased the property, the county tax office sends him a bill for back taxes on the improved property, going back to the date Mrs. Seller built the garage.

Heirship:

When a homeowner dies without a will, state law allows that two people outside the family ("disinterested parties") may submit an Heirship Affidavit establishing who the heirs to the property should be. Obviously there could be relationships that are unknown to them. Heirs that were not accounted for can appear years later and claim some of the proceeds of the sale from the new owner, or claim some ongoing interest in the property.

Forgery:

It is possible that documents in the chain of title may be forged, especially releases of lien (document that falsely claims a debt was paid), fraudulent "conveyances," (deeds that transfer title to the property), and powers of attorney. In one common scam, a fraudster identifies a property not occupied by the owner, files a fake deed transferring title into their own name, and "sells" the home to an unsuspecting buyer.

Considering an Enhancement to Your Owners Title Policy?

Amendment to Area & Boundaries Exception

With a satisfactory survey reviewed and approved by the title company, the buyer may choose to remove a portion of the Area & Boundary Exception, which adds some coverage back into the Owner's Title Policy. The cost to the responsible party (as determined by the contract) is 5% of the basic title insurance premium for a residential real property.

T-19.1: Restrictions, Encroachments, Minerals Endorsement.

Insurance coverage relating to violations of enforceable restrictions, violation of building setbacks, reversionary rights, encroachments upon and beyond the property, and damage to improvements resulting from surface mineral development. Premium cost for this endorsement, for policies insuring residential real property, is calculated at 10% of the Basic Premium Rate for the Owner's Policy, if the endorsement is purchased alone, or 5% of the Basic Premium Rate for the Owner's Policy if purchased in conjunction with amendment of the area and boundaries exception (minimum of \$50 for this endorsement).

Examples of Claims with an Enhanced Owners Title Policy

Boundary Dispute

Ms. Black just purchased 5 acres of land in the country. She was in the process of installing a fence along the south property line when her neighbor came out to tell her fence contractor to get off his property. At a meeting between Ms. Black and her neighbor they compared survey plats and found that the metes and bounds descriptions for their common property line were different and conflicting one another. She filed a claim with her title insurance underwriter based on her purchase of the Area & Boundary Exception Amendment for her Owner's Title Policy, and the underwriter assisted her in resolving the issue with the neighbor.

Restriction Violation

Mr. Pitt purchased a home from Mrs. Smith. Mr. Pitt was in love with the metal roof on the home, newly installed by the seller. Two weeks after Mr. Pitt closed on his home purchase he received a certified letter from the Happy Home Owners Association stating that the metal roof was in violation of the HOA restrictions and several neighbors had complained about the reflective nature of this roof. The HOA required that he replace the metal roof with a composition shingle roof. Since he had purchased a T-19.1 Endorsement to his Owner's Title Policy, he was able to recover the replacement cost from his title insurance underwriter.



Texas Title Insurance Rates

Effective
March 1, 2026

Policies up to & including	Basic Premium										
\$25,000	308	\$53,000	484	\$82,000	667	\$210,000	\$1,323	\$500,000	\$2,756	\$785,000	\$4,164
\$25,500	310	\$53,500	488	\$82,500	672	\$215,000	\$1,348	\$505,000	\$2,781	\$790,000	\$4,189
\$26,000	314	\$54,000	491	\$83,000	675	\$220,000	\$1,373	\$510,000	\$2,805	\$795,000	\$4,213
\$26,500	317	\$54,500	493	\$83,500	677	\$225,000	\$1,398	\$515,000	\$2,830	\$800,000	\$4,238
\$27,000	319	\$55,000	496	\$84,000	680	\$230,000	\$1,422	\$515,500	\$2,833	\$805,000	\$4,263
\$27,500	322	\$55,500	499	\$84,500	684	\$235,000	\$1,447	\$520,000	\$2,855	\$810,000	\$4,287
\$28,000	325	\$56,000	504	\$85,000	687	\$240,000	\$1,472	\$525,000	\$2,880	\$815,000	\$4,312
\$28,500	328	\$56,500	507	\$85,500	689	\$245,000	\$1,496	\$530,000	\$2,904	\$820,000	\$4,337
\$29,000	333	\$57,000	509	\$86,000	692	\$250,000	\$1,521	\$535,000	\$2,929	\$825,000	\$4,362
\$29,500	336	\$57,500	513	\$86,500	697	\$255,000	\$1,546	\$540,000	\$2,954	\$830,000	\$4,386
\$30,000	339	\$58,000	517	\$87,000	701	\$260,000	\$1,570	\$545,000	\$2,978	\$835,000	\$4,411
\$30,500	341	\$58,500	519	\$87,500	703	\$265,000	\$1,595	\$550,000	\$3,003	\$840,000	\$4,436
\$31,000	345	\$59,000	522	\$88,000	705	\$270,000	\$1,620	\$555,000	\$3,028	\$845,000	\$4,460
\$31,500	348	\$59,500	525	\$88,500	709	\$275,000	\$1,645	\$560,000	\$3,052	\$850,000	\$4,485
\$32,000	351	\$60,000	529	\$89,000	713	\$280,000	\$1,669	\$565,000	\$3,077	\$855,000	\$4,510
\$32,500	355	\$60,500	533	\$89,500	715	\$285,000	\$1,694	\$570,000	\$3,102	\$860,000	\$4,534
\$33,000	357	\$61,000	536	\$90,000	718	\$290,000	\$1,719	\$575,000	\$3,127	\$865,000	\$4,559
\$33,500	361	\$61,500	537	\$90,500	721	\$295,000	\$1,743	\$580,000	\$3,151	\$870,000	\$4,584
\$34,000	364	\$62,000	541	\$91,000	725	\$300,000	\$1,768	\$585,000	\$3,176	\$875,000	\$4,609
\$34,500	368	\$62,500	545	\$91,500	729	\$305,000	\$1,793	\$590,000	\$3,201	\$880,000	\$4,633
\$35,000	371	\$63,000	547	\$92,000	731	\$310,000	\$1,817	\$595,000	\$3,225	\$885,000	\$4,658
\$35,500	373	\$63,500	551	\$92,500	734	\$315,000	\$1,842	\$600,000	\$3,250	\$890,000	\$4,683
\$36,000	376	\$64,000	554	\$93,000	737	\$320,000	\$1,867	\$605,000	\$3,275	\$895,000	\$4,707
\$36,500	380	\$64,500	557	\$93,500	741	\$325,000	\$1,892	\$610,000	\$3,299	\$900,000	\$4,732
\$37,000	383	\$65,000	560	\$94,000	742	\$330,000	\$1,916	\$615,000	\$3,324	\$905,000	\$4,757
\$37,500	386	\$65,500	563	\$94,500	747	\$335,000	\$1,941	\$620,000	\$3,349	\$910,000	\$4,781
\$38,000	390	\$66,000	567	\$95,000	751	\$340,000	\$1,966	\$625,000	\$3,374	\$915,000	\$4,806
\$38,500	393	\$66,500	571	\$95,500	754	\$345,000	\$1,990	\$630,000	\$3,398	\$920,000	\$4,831
\$39,000	395	\$67,000	574	\$96,000	755	\$350,000	\$2,015	\$635,000	\$3,423	\$925,000	\$4,856
\$39,500	399	\$67,500	575	\$96,500	759	\$355,000	\$2,040	\$640,000	\$3,448	\$930,000	\$4,880
\$40,000	401	\$68,000	579	\$97,000	763	\$360,000	\$2,064	\$645,000	\$3,472	\$935,000	\$4,905
\$40,500	406	\$68,500	582	\$97,500	766	\$365,000	\$2,089	\$650,000	\$3,497	\$940,000	\$4,930
\$41,000	408	\$69,000	585	\$98,000	769	\$370,000	\$2,114	\$655,000	\$3,522	\$945,000	\$4,954
\$41,500	412	\$69,500	588	\$98,500	773	\$375,000	\$2,139	\$660,000	\$3,546	\$950,000	\$4,979
\$42,000	415	\$70,000	592	\$99,000	776	\$380,000	\$2,163	\$665,000	\$3,571	\$955,000	\$5,004
\$42,500	418	\$70,500	596	\$99,500	779	\$385,000	\$2,188	\$670,000	\$3,596	\$960,000	\$5,028
\$43,000	420	\$71,000	599	\$100,000	780	\$390,000	\$2,213	\$675,000	\$3,621	\$965,000	\$5,053
\$43,500	424	\$71,500	601	\$105,000	\$805	\$395,000	\$2,237	\$680,000	\$3,645	\$970,000	\$5,078
\$44,000	428	\$72,000	604	\$110,000	\$829	\$400,000	\$2,262	\$685,000	\$3,670	\$975,000	\$5,103
\$44,500	431	\$72,500	608	\$120,000	\$879	\$405,000	\$2,287	\$690,000	\$3,695	\$980,000	\$5,127
\$45,000	434	\$73,000	611	\$125,000	\$904	\$410,000	\$2,311	\$695,000	\$3,719	\$985,000	\$5,152
\$45,500	437	\$73,500	613	\$130,000	\$928	\$415,000	\$2,336	\$700,000	\$3,744	\$990,000	\$5,177
\$46,000	440	\$74,000	617	\$135,000	\$953	\$420,000	\$2,361	\$705,000	\$3,769	\$995,000	\$5,201
\$46,500	444	\$74,500	621	\$140,000	\$978	\$425,000	\$2,386	\$710,000	\$3,793		
\$47,000	446	\$75,000	625	\$140,500	\$980	\$430,000	\$2,410	\$715,000	\$3,818	Policy Amount	Basic Premium
\$47,500	448	\$75,500	627	\$145,000	\$1,002	\$435,000	\$2,435	\$720,000	\$3,843	\$1,000,000	\$5,226
\$48,000	453	\$76,000	629	\$150,000	\$1,027	\$440,000	\$2,460	\$725,000	\$3,868	\$2,000,000	\$9,286
\$48,500	457	\$76,500	632	\$155,000	\$1,052	\$445,000	\$2,484	\$730,000	\$3,892	\$3,000,000	\$13,346
\$49,000	460	\$77,000	636	\$160,000	\$1,076	\$450,000	\$2,509	\$735,000	\$3,917	\$4,000,000	\$17,406
\$49,500	462	\$77,500	639	\$165,000	\$1,101	\$455,000	\$2,534	\$740,000	\$3,942	\$5,000,000	\$21,466
\$50,000	465	\$78,000	643	\$170,000	\$1,126	\$460,000	\$2,558	\$745,000	\$3,966	\$6,000,000	\$24,816
\$50,500	468	\$78,500	646	\$175,000	\$1,151	\$465,000	\$2,583	\$750,000	\$3,991	\$7,000,000	\$28,166
\$51,000	470	\$79,000	650	\$180,000	\$1,175	\$470,000	\$2,608	\$755,000	\$4,016	\$8,000,000	\$31,516
\$51,500	474	\$79,500	651	\$185,000	\$1,200	\$475,000	\$2,633	\$760,000	\$4,040	\$9,000,000	\$34,866
\$52,000	478	\$80,000	655	\$190,000	\$1,225	\$480,000	\$2,657	\$765,000	\$4,065	\$10,000,000	\$38,216
\$52,500	482	\$80,500	658	\$195,000	\$1,249	\$485,000	\$2,682	\$770,000	\$4,090	\$15,000,000	\$54,966
		\$81,000	662	\$200,000	\$1,274	\$490,000	\$2,707	\$775,000	\$4,115	\$25,000,000	\$78,766
		\$81,500	664	\$205,000	\$1,299	\$495,000	\$2,731	\$780,000	\$4,139		