

[Date]

[Client Name]

[Client Address]

[City, State, Zip Code]

Re: Explanation of Your Title Insurance Policy

Property Address: [Property Address]

Policy Number: [Policy Number]

Dear [Client Name],

Enclosed please find your Owner's Policy of Title Insurance. This is an important legal document that protects your investment in your new property. Please keep this document in a safe place.

What is Title Insurance?

Unlike other types of insurance that protect against future events, title insurance protects you against loss or damage resulting from past defects or problems with the legal ownership of your property that existed before you purchased it.

What Your Policy Covers:

This policy provides protection against several risks, including but not limited to:

- Forgeries or fraud in the chain of title.
- Undisclosed heirs or missing signatures from previous transfers.
- Errors in public records or indexing.
- Liens for unpaid taxes, mortgages, or assessments incurred by previous owners.
- Encroachments or easements not disclosed in public records.

What is Not Covered (Exclusions):

Please review Schedule B of your policy. This section lists specific "exceptions" or items that the insurance company will not cover. Common exceptions include current property taxes not yet due, utility easements, or specific CC&Rs (Covenants, Conditions, and Restrictions) recorded against the property.

Duration of Coverage:

Your Owner's Policy remains in effect for as long as you or your heirs own the property. There are no annual premiums; the one-time fee paid at closing covers you for the entire duration of your ownership.

If you have any questions regarding the specific terms of your policy, please do not hesitate to contact our office.

Sincerely,

[Your Name/Company Name]
[Your Phone Number]
[Your Email]