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*Karlen's Korner Special Edition*

## TITLE GRANNY

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Transcript of telephone conversation from the Second Night of Chanukah

ME: Hello, Grandma

GRANDMA: Hello, David, dear

M: No, Grandma, this is Douglas—the younger brother.

G: Oh, yes, the baby of the family!

M: Thank you for the Chanukah present. I am sure I will spend the \$5 wisely.

G: Use it in good health.

M: Listen, Grandma, I couldn't help overhearing you tell Uncle Morty that I work at the bank. That's not right, Grandma, I work at the title company.

G: What's that? You don't work at the bank? Did they fire you?

M: No, Grandma, I never worked at a bank. I work at a title insurance company.

G: I never heard of . . . What's that?

M: Well, we insure title. We issue title insurance policies.

G: What title? You mean like Doctor, or Professor, or something?

M: No. Title is a relationship—the relationship a person has to property. It's a collection of rights and obligations related to a particular piece of property. Title is like a picture, that is, a description of who owns the property; whether anyone else has a claim to ownership of the property; whether the property was pledged to pay debts or is subject to government charges like taxes; and generally whether anyone else has claims against or rights to that property.

G: What property? Like the machine?



M: No, the car is personal property. We're talking about real property. You know, real estate—like your condo, Mom and Dad's house, Uncle Morty's factory, or even the Willis Tower.

G: The what?

M: Oh, it used to be called the Sears Tower. They changed the name.

G: Listen, I know insurance. Your Grandfather, may he rest in peace, had life insurance. He paid the premium every February—like clockwork, clockwork!

M: Well, title insurance is a little different. There's only one premium. You pay it before the policy is issued.

G: You call that insurance?

M: Yes. We issue title insurance policies. When people or companies buy, sell, or mortgage real estate, we insure against loss or damage to the Title, as I just described Title. We compensate someone who is the Named Insured on our policy for loss they may suffer if, for example, someone else owns the property; there is a defect in the Title (maybe someone forged a deed or something in the past); you can't get to the property from a public street; someone doesn't want to buy the property because of a problem we didn't tell you about, and so on. There are, of course, limitations on this coverage.

G: Naturally. It's like a big but!

M: What?

G: You say you insure, but . . .

M: Oh, right. Yes, the policy is limited by the amount of coverage. Also, you are only covered for matters arising before the date of the policy. And, there are certain Exclusions, such as things you knew about but didn't tell us or problems you caused yourself.

G: You would deny me coverage—your own grandmother?

M: Hey, it happens. You have to read the whole policy carefully. There are several parts to it—the description of coverage, the schedule showing the amount of coverage along with the name of the Insured and a description of the insured property; the exceptions—that is, the things we won't insure, namely the rights others have in the property; the Exclusions that I just mentioned; and the Conditions. This last part tells you what happens if there is a claim on the policy—what you have to do, what the company can do to fix things, and so on.

G: It all sounds very interesting. You are such a clever boy to figure it all out. By the way, you spoke of relationships. Is there something going on that you want to tell me about?

M: It was great talking to you Grandma. The kugel was great last night. Happy Chanukah. Good-bye.

G: Good-bye Da . . . uh, Douglas.