



The Cost of Title Insurance is Worth the Investment

Whenever there's an article in the news about title insurance, all too frequently there is criticism about the cost. This perception occurs because there are fewer claims with title insurance compared to other forms of insurance. The higher percentage of claims an insurance company pays should not be equated with the value and cost of the policy. This is especially true with title insurance.

Most types of insurance cover incidents that may occur in the future, which is the case with health, life, auto and homeowner's insurance. The cost of these policies is based on the insurers' estimation of how much they will likely pay out in claims over a given period, plus administrative costs and a reasonable profit. The volume of claims is typically high with these types of insurance.

Title insurance, on the other hand, is based on *loss prevention*, which means that a much larger percentage of the premium dollar is spent preventing title problems from occurring. These upfront costs cover searching, identifying and eliminating risks that could result in a future claim.

A typical title search involves searching the public records, including visits to the offices of recorders or registers of deeds, clerks of courts and other officials, and the company's own title plant. Title professionals look for such things as second or third mortgages, judgments, liens, street and sewer system assessments, special taxes and levies, and numerous other matters. No other line of insurance does this level of due diligence before issuing a policy.

Over the long term, title insurers pay fewer claims than other insurers, but their operating expenses are much higher because of these upfront costs. To compare, operating expenses for property and casualty companies, which issue auto and homeowners insurance, is less than 30 percent of revenues. The expense ratio for title insurers averages 90 percent.

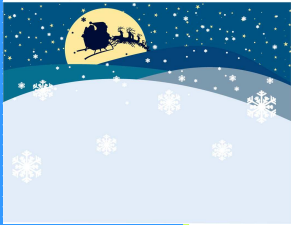
Another reason some mistakenly believe that title insurance costs are high is because they don't fully understand its value. Title insurance protects the single largest financial investment most people make. One out of every four residential real estate transactions has an issue with the title, which is usually resolved by title professionals before the buyer closes.

When there is a claim, it is often due to a title defect that was undetected during the title search. The most common problems resulting in title claims are the result of fraud and forgery. And, when there is a loss, it is usually significant—sometimes in the hundreds of thousands of dollars.

An Owner's Policy of Title Insurance, which can be obtained in addition to a Loan Policy, remains in effect for as long as the policyholder (or their heirs) owns the property that is insured. A claim could actually be filed 50 or 100 years after the policy was issued. An Owner's Policy covers legal expenses involved in defending the title on behalf of the homeowner.

The cost for title insurance is a one-time fee, as opposed to other lines of insurance that charge a monthly, quarterly or annual premium over the life of the policy. When you consider the size of the asset being protected, title insurance is probably the best value among the majority of costs associated with closing on a new home.

For more information on the title insurance industry, please see the American Land Title Association Website at <http://www.alta.org>



Employee Anniversaries

Karen Donna, Dixon~ October, 2003

Julia Shinault, Oregon~ October, 2007

Dianne Bass, Freeport~ November, 1972

Tammy Dykema, Mt. Carroll~ November, 2005

Tiffany Sewell, Rock Island~ November, 2006



From Everyone Here at
H.B. Wilkinson Title Company,
We Wish You a Safe and Happy Holiday Season!

Please note that our offices will be closed Thursday
December 25th, Friday December 26th, and Thursday
January 1st*.

*Our Rockford and Rock Island Office locations will be closed
December 24th and 25th, and January 1st.

Introducing Jane Griswold

Jane started working at H.B. Wilkinson on May 19th at the Dixon Office. She is originally from Oregon and now resides near Grand DeTour. Together with her husband, Ron, they have four children and three grandchildren, soon to be four! Jane likes to read, cook and spend time with the kids. But most of all she loves going for rides on her Harley. Her favorite place to go on vacation is South Dakota. She has been there four times and can't seem to get enough of it! Jane also admits to having three very spoiled cats at home. Welcome Jane!



New Winter Hours

H.B. Wilkinson Title Company Hours of Operation

Carroll County

108 East Market Street
Mt. Carroll, IL 61053
1.815.244.9566 FAX 1.815.244.2731
Office Hours 8:30-4:30, closed 12:00-1:00

Jo Daviess County

(Also servicing Dubuque County, Iowa)

321 North Bench Street, P.O. Box 215
Galena, IL 61036
1.815.777.3318 FAX 1.815.777.1754
Office Hours 8:00-4:00, closed 12:00-1:00

Lee County

(Also servicing Bureau County)

218 South Ottawa Avenue
Dixon, IL 61021
1.815.284.1160 FAX 1.815.284.1165
Office Hours 8:30-4:30, closed 12:00-1:00

Ogle County

(Also servicing DeKalb County)

203 South 5th Street
Oregon, IL 61061
1.815.732.7840 FAX 1.815.732.4761
Office Hours 8:30-4:30, closed 12:00-1:00

Rock Island County

**(Also servicing Mercer and Henry Counties in Illinois
And Scott County, Iowa)**

322 16th Street
Rock Island, IL 61201
1.309.794.0518 FAX 1.309.794.0617
Office Hours 8:00-4:30

Stephenson County

216 West Exchange Street
Freeport, IL 61032
1.815.232.2511 FAX 1.815.232.3798
Office Hours 8:30-4:30

Whiteside County

500 North Cherry Street, P.O. Box 310
Morrison, IL 61270
1.815.772.2159 FAX 1.815.772.4799
Office Hours 8:00-5:00
202 East Sixth Street
Sterling, IL 61081
1.815.626.1066 FAX 1.815.626.6788
Office Hours 8:00-4:00, closed 12:00-1:00

Winnebago County

(Also servicing Boone County)

7025 Rote Road, Suite 105
Rockford, IL 61107
1.815.229.1925 FAX 1.815.229.1924
Office Hours 8:00-4:00, closed 12:00-1:00