PASS GEORGIA
REAL ESTATE EXAM PREP

GEORGIA REAL ESTATE EXAM GLOSSARY

Title insurance

Title insurance is an indemnity contract protecting an owner or lender against covered loss from specified title defects that exist as of the policy date, subject to exclusions, exceptions, limits, and conditions.

OFFICIAL AREA	KNOWLEDGE CLUSTER	LEARNING SYSTEM
Transfer of Title	Title and notice	Define, distinguish, apply, retrieve

SOURCE STANDARD

Official exam outline plus authoritative Georgia or federal references where the topic has a controlling rule. Independent educational resource, not affiliated with GREC or PSI.

01 / COMPLETE LESSON

Build the complete exam definition

Learn the rule, separate it from the nearest distractor, then apply it to a Georgia fact pattern.

CORE DEFINITION

What does Title insurance mean?

Title insurance is an indemnity contract protecting an owner or lender against covered loss from specified title defects that exist as of the policy date, subject to exclusions, exceptions, limits, and conditions.

CLOSEST DISTINCTION

How do you separate the nearest exam answer?

An owner's policy protects the owner's covered equity interest. A lender's policy protects the insured lender's security interest and does not substitute for owner coverage.

GEORGIA APPLICATION

What changes or stays the same in Georgia?

The Georgia closing attorney coordinates title examination and policy issuance when title insurance is part of the transaction. Coverage is backward-looking, unlike property insurance focused on future casualty events.

WORKED EXAMPLE

A previously forged deed in the chain creates a covered ownership loss discovered after closing, and the insured tenders the claim under the policy.

EXAM TRAP

A lender policy protects the lender even when the borrower paid the premium. It does not automatically protect the buyer's equity.

Memory cue: A lender policy protects the lender even when the borrower paid the premium.

02 / PRACTICE AND MASTERY

Retrieve the rule under exam conditions

Answer before reading the explanation. Then explain why every distractor belongs to a different term.

ORIGINAL PRACTICE CHECK

Which statement correctly explains Title insurance?

- **A** Marketable title is title reasonably free from substantial doubt, material defects, and probable litigation, such that a prudent purchaser would accept it under the contract.
- **B** Title insurance is an indemnity contract protecting an owner or lender against covered loss from specified title defects that exist as of the policy date, subject to exclusions, exceptions, limits, and conditions.
- **C** Insurable title is title a title insurer is willing to cover under a policy, subject to the policy's terms, exclusions, exceptions, limits, and premium.
- **D** A general warranty deed conveys the grantor's interest with broad title covenants protecting the grantee against covered title defects arising both during and before the grantor's ownership.

CORRECT ANSWER: B

Title insurance is correct. Title insurance is an indemnity contract protecting an owner or lender against covered loss from specified title defects that exist as of the policy date, subject to exclusions, exceptions, limits, and conditions. An owner's policy protects the owner's covered equity interest. A lender's policy protects the insured lender's security interest and does not substitute for owner coverage. The Georgia closing attorney coordinates title examination and policy issuance when title insurance is part of the transaction. Coverage is backward-looking, unlike property insurance focused on future casualty events.

MASTERY TRACKER

Mark each box only when you can perform the skill without looking.

- [ ] I can define the term in one precise sentence.
- [ ] I can separate it from the closest look-alike.
- [ ] I can explain the Georgia rule or confirm that the national rule applies.
- [ ] I can answer the practice check and explain every option.

03 / CONNECTIONS AND AUTHORITY

Connect the term to the wider exam

Use these relationships to move from isolated recall to a connected exam model.

RELATED TERM

Marketable title

Marketable title is title reasonably free from substantial doubt, material defects, and probable litigation, such that a prudent purchaser would accept it under the contract.

https://www.passgeorgiarealestate.com/glossary/marketable-title

RELATED TERM

Insurable title

Insurable title is title a title insurer is willing to cover under a policy, subject to the policy's terms, exclusions, exceptions, limits, and premium.

https://www.passgeorgiarealestate.com/glossary/insurable-title

RELATED TERM

General warranty deed

A general warranty deed conveys the grantor's interest with broad title covenants protecting the grantee against covered title defects arising both during and before the grantor's ownership.

https://www.passgeorgiarealestate.com/glossary/general-warranty-deed

RELATED TERM

Closing attorney

A closing attorney is the Georgia-licensed lawyer who conducts the legal closing, oversees execution and disbursement, and handles the conveyancing and title-related legal work that constitutes the practice of law.

https://www.passgeorgiarealestate.com/glossary/closing-attorney

RECOMMENDED NEXT COMPLETE LESSON

Transfer of Title complete lesson

https://www.passgeorgiarealestate.com/study-guide/transfer-of-title/title-search-and-insurance

EXAM SOURCES AND AUTHORITY NOTES

1. PSI Georgia Candidate Information Bulletin, 7/1/2026

Official exam administration and content-outline source.

https://test-takers.psiexams.com/api/content/bulletin/4672

2. State Bar of Georgia Formal Advisory Opinion 10-R2

Georgia authority on lawyer-supervised real estate closings.

https://www.gabar.org/handbook?rule=part46

3. Georgia Superior Court Clerks' Cooperative Authority, Real Estate Index

Official statewide reference for Georgia real estate recording, indexing, and public land-record access.

https://www.gsccca.org/learn/projects-programs/real-estate-index