

## HOMEOWNER'S POLICY OF TITLE INSURANCE

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The Homeowner's (or Extended or Enhanced) Policy of Title Insurance, backed by the nation's best title insurer, provides outstanding benefits to REALTORS® as well. Here's how:

- Reduces the REALTORS® exposure in a transaction regarding certain regulatory matters.
- Increases the client's satisfaction and confidence by providing the finest protection available.
- Helps ensure the client's ability to resell the home in the future, free of potentially damaging title problems.
- Gives the REALTOR® and client peace of mind in the increasingly complex world of real estate.

Informing clients about premium title insurance such as the Homeowner's Policy makes good business sense. With superior title coverage issued through and by a reputable title insurer, REALTORS® and clients benefit from two critical layers of protection.

**Superior All-Inclusive Benefits from the Homeowner's Policy** - This superior policy gives the most thorough and comprehensive coverage available in the industry.

The new Homeowner's Policy includes the following basic coverage:

- False impersonation of the true owner of the property
- Forged deeds, releases or wills
- Undisclosed or missing heirs
- Instruments executed under invalid or expired power of attorney
- Mistakes in recording legal documents
- Misinterpretation of wills
- Deeds by minors
- Deeds by persons supposedly single, but in fact married
- Liens for unpaid estate, inheritance, income or gift taxes
- Fraud

### **The Homeowner's Policy also Provides the Following Additional Benefits**

- **Pre and Post Policy Protections:** The Homeowner's Policy coverage protects homeowners against claims arising both before and after the policy date. The homeowner is covered if someone else has an interest in or claims to have rights affecting the title, or the title is defective. Post-policy protection also includes coverage for forgery, impersonation, easements, use limitations and structural encroachments built by neighbors (except for boundary walls or fences) after the policy date.

- **Expanded Access Coverage:** The Homeowner's Policy provides homeowners with expanded access protection for right of access to and from the property. Traditional title policies do not define the type of access a homeowner has to the property, but the Homeowner's Policy specifically insures both actual pedestrian and vehicular access, based upon a legal right.
- **Restrictive Covenant Violations:** The Homeowner's Policy protects homeowners against the loss of title to property because of a violation of a restrictive covenant that occurred before the insured acquired title.
- **Building Permit Violations:** The Homeowner's Policy covers homeowners if they must remove or remedy an existing structure (except for boundary walls and fences) because it was built without a building permit from the proper government office. This coverage is subject to deductible amounts and maximum limits of liability.
- **Subdivision Law Violations:** The Homeowner's Policy protects homeowners if they can't sell the property or get a building permit because of a violation of an existing subdivision law. Homeowners are also protected if they are forced to correct or remove the violation. This coverage is subject to a policy deductible and maximum limits of liability.
- **Zoning Law Violations:** The Homeowner's Policy protects homeowners if they must remove or remedy existing zoning laws or regulations (subject to the policy deductible and maximum limit of liability). Homeowners are also protected if they can't use the land for a single-family residence due to the way the land is zoned.
- **Encroachment Protections:** Covers homeowners if forced to remove an existing structure because it encroaches on a neighbor's land (coverage for encroachments of boundary walls or fences is subject to policy deductible and maximum limit of liability). Covers homeowners when someone else has a legal right to, and does, refuse to perform a contract to purchase the homeowner's land, lease it or make a mortgage loan on it because a neighbor's existing structures encroach onto the land.
- **Water and Mineral Rights Damage:** The Homeowner's Policy provides coverage if a homeowner's existing improvements, including lawns, shrubbery and trees, are damaged because someone exercised a right to use the surface of the land for the extraction of minerals or water.
- **Supplemental Tax Lien:** The Homeowner's Policy protects homeowners if a supplemental tax lien is filed and assessed against the property because of new construction or a change of ownership prior to the policy date.
- **Map Inconsistencies:** The Homeowner's Policy provides coverage if the map attached to the homeowner's policy does not show the correct location of the land, according to public records.
- **Continuous Coverage:** The Homeowner's Policy covers homeowners forever, even if they no longer have the title. The policy insures anyone who inherits the title because of the homeowner's death and the spouse who receives the title after a dissolution of marriage. The Homeowner's Policy also allows homeowners to transfer title to their home into a trust after the policy date and receive uninterrupted coverage, at no extra cost.
- **Value-Added Protection:** Traditional title policies don't increase their coverage as the value of a home increases. Not so with the Homeowner's Policy. The policy amount

automatically increases by ten percent per year for five years, up to 150% over the original policy amount. This automatic increase in coverage is included at no extra cost.

### **Title Policy Coverage Comparison**

<b>Coverage Item</b>	<b>CLTA Standard Coverage</b>	<b>ALTA Residential (Plain Language)</b>	<b>New Homeowner's Policy</b>
<b>Post Policy Forgery Protection</b>	No	No	Yes
<b>Enhanced Access Coverage</b>	No	No	Yes
<b>Building Permit Violations</b>	No	No	Yes
<b>Subdivision Map Act Coverage</b>	No	No	Yes
<b>Restrictive Covenant Violations</b>	No	No	Yes
<b>Mineral Extraction Coverage</b>	No	No	Yes
<b>Map Inconsistencies Coverage</b>	No	No	Yes
<b>Coverage Extended to Living Trusts</b>	No	No	Yes
<b>Enhanced Encroachment Coverage</b>	No	No	Yes
<b>Automatic Inflation Protection (5 years)</b>	No	No	Yes

This coverage has certain limitations and exclusions that apply.