

TWO Types of Title Insurance

There are two basic types of title insurance policies. A lender's policy, usually based on the dollar amount of the loan, protects only the lender's interests in the property should a problem with the title arise. Similarly, an owner's policy, usually based on the home's total purchase price, protects only the homebuyer's interests in the property should a problem with the title arise. An owner's policy will provide protection against ownership challenges, errors or omissions in deeds, mistakes in examining records, missed liens, forgery and undisclosed heirs, among other things.

Unlike most other types of insurance, you pay a one-time premium at the time of your home purchase for coverage that continues as long as you or your heirs own the property. Depending on where you live, the cost of an owner's policy is marginal when a lender's policy is also being issued. This "simultaneous issue" discount means you do not pay full premium for owner's and lender's policies. You may even split settlement costs with the seller for the lender or owner's policy. Depending on the state, rates are set by the state's Department of Insurance or by the companies themselves. Consumers should ask their local title company how rates are determined and what services are included in the rate for where they live.

For more information about title insurance go to www.ortc.com or www.homeclosing101.org

Since 1907, Old Republic Title has weathered challenging economic times, meeting obligations to policy holders no matter what the conditions. With underwriting expertise, exceptional products and services, and a commitment to doing business with integrity, Old Republic Title is a name you can trust.

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Old Republic is providing this information as a free customer service and makes no warranties or representations as to its accuracy.

Old Republic strongly recommends that consumers confer with their title insurer as underwriting requirements vary among companies and further, obtain guidance and advice from qualified professionals, including attorneys specializing in Real Property, Trusts and/or Title Insurance to get more detailed, and current, information as to any particular situation affecting them.

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www.ortc.com

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Covered risks for the Homeowner's Policy



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23. You are forced to remove your existing structures because they encroach onto your neighbor's land. If the encroaching structures are boundary walls or fences, the amount of your insurance for this covered risk is subject to your deductible amount and our maximum dollar limit of liability shown in Schedule A
24. Your existing structures are damaged because of the exercise of a right to maintain or use any easement affecting the land, even if the easement is excepted in Schedule B.
25. Your existing improvements (or a replacement or modification made to them after the policy date), including lawns, shrubbery or trees, are damaged because of the future exercise of a right to use the surface of the land for the extraction or development of minerals, water or any other substance, even if those rights are excepted or reserved from the description of the land or excepted in Schedule B.
26. Someone else tries to enforce a discriminatory covenant, condition or restriction that they claim affects your title which is based upon race, color, religion, sex, handicap, familial status, or national origin.
27. A taxing authority assesses supplemental real estate taxes not previously assessed against the land for any period before the policy date because of construction or a change of ownership or use that occurred before the policy date.
28. Your neighbor builds any structures after the policy date -- other than boundary walls or fences -- which encroach onto the land.
29. Your title is unmarketable, which allows someone else to refuse to perform a contract to purchase the land, lease it or make a mortgage loan on it.
30. Someone else owns an interest in your title because a court order invalidates a prior transfer of the title under federal bankruptcy, state insolvency, or similar creditors' rights laws.
31. The residence with the address shown in Schedule A is not located on the land at the policy date.
32. The map, if any, attached to this policy does not show the correct location of the land according to the public records.

32 Covered risks for the Homeowner's Policy

1. Someone else owns an interest in your title.
2. Someone else has rights affecting your title because of leases, contracts, or options.
3. Someone else claims to have rights affecting your title because of forgery or impersonation.
4. Someone else has an easement on the land.
5. Someone else has a right to limit your use of the land.
6. Your title is defective. Some of these defects are:
 - a. someone else's failure to have authorized a transfer or conveyance of your title.
 - b. someone else's failure to create a valid document by electronic means.
 - c. a document upon which your title is based is invalid because it was not properly signed, sealed, acknowledged, delivered or recorded.
 - d. a document upon which your title is based was signed using a falsified, expired, or otherwise invalid power of attorney.
 - e. a document upon which your title is based was not properly filed, recorded, or indexed in the public records.
 - f. a defective judicial or administrative proceeding.
7. Any of Covered Risks 1 through 6 occurring after the policy date.
8. Someone else has a lien on your title, including a:
 - a. lien of real estate taxes or assessments imposed on your title by a governmental authority that are due or payable, but unpaid;
 - b. mortgage;
 - c. judgment, state or federal tax lien;
 - d. charge by a homeowner's or condominium association; or
 - e. lien, occurring before or after the policy date, for labor and material furnished before the policy date.
9. Someone else has an encumbrance on your title.
10. Someone else claims to have rights affecting your title because of fraud, duress, incompetency or incapacity.
11. You do not have actual vehicular and pedestrian access to and from the land, based upon a legal right.
12. You are forced to correct or remove an existing violation of any covenant, condition or restriction affecting the land, even if the covenant, condition or restriction is excepted in Schedule B. However, you are not covered for any violation that relates to:
 - a. any obligation to perform maintenance or repair on the land; or
 - b. environmental protection of any kind, including hazardous or toxic conditions or substancesunless there is a notice recorded in the public records, describing any part of the land, claiming a violation exists. Our liability for this covered risk is limited to the extent of the violation stated in that notice.
13. Your title is lost or taken because of a violation of any covenant, condition or restriction, which occurred before you acquired your title, even if the covenant, condition or restriction is excepted in Schedule B.
14. The violation or enforcement of those portions of any law or government regulation concerning:
 - a. building;
 - b. zoning;
 - c. land use;
 - d. improvements on the land;
 - e. land division; or
 - f. environmental protection,if there is a notice recorded in the public records, describing any part of the land, claiming a violation exists or declaring the intention to enforce the law or regulation. Our liability for this covered risks is limited to the extent of the violation or enforcement stated in that notice.
15. An enforcement action based on the exercise of a governmental police power not covered by Covered Risks 14 if there is a notice recorded in the public records, describing any part of the land, of the enforcement action or intention to bring an enforcement action. Our liability for this covered risks is limited to the extent of the enforcement action stated in that notice.
16. Because of an existing violation of a subdivision law or regulation affecting the land:
 - a. you are unable to obtain a building permit;
 - b. you are required to correct or remove the violation; or
 - c. someone else has a legal right to, and does, refuse to perform a contract to purchase the land, lease it or make a mortgage loan on it.
17. The amount of your insurance for this covered risk is subject to your deductible amount and our maximum dollar limit of liability shown in Schedule A.
18. You lose your title to any part of the land because of the right to take the land by condemning it, if:
 - a. there is a notice of the exercise of the right recorded in the public records and the notice describes any part of the land; or
 - b. the taking happened before the policy date and is binding on you if you bought the land without knowing of the taking.
19. You are forced to remove or remedy your existing structures, or any part of them - other than boundary walls or fences - because any portion was built without obtaining a building permit from the proper government office.
20. The amount of your insurance for this covered risk is subject to your deductible amount and our maximum dollar limit of liability shown in Schedule A.
21. You are forced to remove or remedy your existing structures, or any part of them, because they violate an existing zoning law or zoning regulation. If you are required to remedy any portion of your existing structures, the amount of your insurance for this covered risk is subject to your deductible amount and our maximum dollar limit of liability shown in Schedule A.
22. You cannot use the land because use as a single-family residence violates an existing zoning law or zoning regulation.