

The background features a large, stylized number '4' composed of three overlapping triangular sections. The leftmost section is filled with a warm-toned bokeh of yellow and orange circles. The middle section is a solid light blue. The rightmost section is a darker blue, containing a faint line graph with a single data point highlighted. The overall aesthetic is modern and corporate.

Energy Transactions: Insuring Non-Real Estate Interests

John Agle

Counsel, Energy Specialist
Stewart Energy Group



Disclaimer

This underwriting guideline represents my opinion as a professional and is based on my understanding of the particular coverage, developed over 25 years of serving the renewable energy industry. You should always confirm my understanding by communication with your underwriter. If there's a disagreement, that's not proof that I'm right or wrong, it just illustrates the point that reasonable minds differ. Trust your gut. If you feel you have a good coverage argument, present it. There's a decent chance your gut is right.

What's an Interest in Real Estate?

- Fee, Lease, Easement ... on O's policies
- Mortgage aka Deed of Trust ... on L's policies
- The importance of granting language
- Could we insure a Judgment ... why not?
- Title insurance insures real property interests ...
- ... but then, there's energy deals.



What's NOT a Real Estate Interest?

- Licenses, Encroachment & Franchise Agreements, Special Permits, ROWs, other weird things
- It's an interest in the Land ... just not a real property interest
- Is a recording required?
- Does it pass the Laugh Test?

Practical Insuring Implications

- It's an "interest conveyed" in Schedule A
- The characterization exception ... it's NOT real estate
- Is the coverage illusory?
- The value of the Energy Set of endorsements
- Is the interest financeable?
- Be careful what you wish for! Additional and expensive requirements may tag along

Thank You.



Stewart Title Guaranty Company
Stewart Energy Group

John Agle
Counsel, Energy Specialist
stewart.com/commercial