

**New Jersey
N2K Hour:**

**Understanding The
ALTA Homeowners
Title Insurance
Policy**

**WebEx Presentation:
June 8, 2021**

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A Short Review: What are the fundamental principals of Title Insurance?

- One time premium paid at settlement.
- Looks backwards from an effective date.
- Subject to policy limits.
- Indemnifies against actual losses, i.e. it is a contract of indemnification, not a contract of guarantee.
- Expires when you sell the property.
- The goal is risk elimination. Not concerned with statistics/probabilities, actuarial tables, age, income or occupation.

A Short Review: What are the fundamental principals of Title Insurance?

- Two duties of the Insurer that arise under a title insurance policy: the duty to defend and a duty to indemnify.
- Highly regulated business with filed rates and forms; DOBI.
- Title Insurance cannot be monetized.
- Subject to and dependent upon the effectiveness and integrity of land records, i.e. public records.
- 3 major documents that are produced in this process: 1. Title commitment; 2. Title Policy; 3. Endorsements.

The ALTA Homeowners Policy (A/K/A the Enhanced Policy): History and overview of differences.

- The ALTA Homeowner's Policy was introduced in 1998.
- ALTA Expanded Coverage Residential Loan Policy.
- 32 Covered Risk (including the 10 Standard Policy Covered Risks).
- Includes additional enhanced (Exotic) coverages.
- Some coverages are subject to deductibles & limits.
- Additional premium for additional risk.
- Coverage continues after you sell the property.
- May be issued only on a bona fide sale, not existing ownership.

Requirements: Who is eligible to receive the Homeowners Policy?

- Residential property.
- One-to-four family home or condominium.
- Owner-occupied, i.e. a natural person.
- May be a Trust. Trustee does not have to be a natural person.
- May be a second home or vacation home not used as a rental.
- Fee interest only; not a leasehold.

Requirements: Who is not eligible to receive the Homeowners Policy?

Do not Issue on the following:

- Commercial property.
- New construction (depends).
- Non-owner occupied.
- Entity buyers: LLC, Partnerships, Corporations.
- Vacant land.
- Investment property.
- Mixed use property.
- Manufactured housing.

The Duties of the Insurer Under the Policy: 1.) the Duty to Defend, and 2.) the Duty to Indemnify.

- The duty to defend is set-forth in the printed portion of the policy. The ALTA Homeowners Policy (10/17/98) (Revised 2/1/2019) provides a section titled: **“Our Duty To Defend Against Legal Actions”**. It states:
- “We will defend Your Title in any legal action only as to that part of the action which is based on a Covered Risk and which is not excepted or excluded from the Coverage in this Policy. We will pay the costs, attorneys’ fees, and expenses We incur in that defense”.
- “We can end Our duty to defend Your Title under Section 4 of the Conditions”.

The Duties of the Insurer Under the Policy: 1.) the Duty to Defend, and 2.) the Duty to Indemnify.

- If a complaint is filed that alleges facts within or potentially within one or more of the covered risks set-forth in the policy, the insurer's duty to defend has been triggered.
- The duty to defend is considered to be a broad duty.
- Often referred to as the four corners or the eight corners rule.
- However, if the subject matter of the claim/complaint is excluded or excepted from coverage, there is no duty to defend.

The Duties of the Insurer Under the Policy: 1.) the Duty to Defend, and 2.) the Duty to Indemnify.

- The Insurer may agree to defend the allegations in a complaint related to the Covered Risks, but will decline to defend allegations unrelated to the Covered Risks.
- If the Insurer is not certain whether the allegations in the complaint trigger the duty to defend, the Insurer may agree to defend with a reservation of rights.
- The costs, attorneys' fees, and expenses incurred in defending the Insured are in addition to the Policy limits.

The Duties of the Insurer Under the Policy: 1.) the Duty to Defend, and 2.) the Duty to Indemnify.

- The duty to Indemnify: the policy is a contract of indemnification and not one of guarantee.
- The Owner's Coverage Statement found in the ALTA Homeowners Policy states the following: "The Policy insures You against actual loss, including any costs, attorney' fees and expenses provide under the Policy".
- If a claim is excluded or excepted from coverage, or otherwise barred by a provision of the policy, no duty to indemnify exists.

The Insured's duties under the Policy

- Must give prompt notice to the Insurer in writing. (Cond.3 a).
- Cooperate with the Insurer in the investigation and defense of the claim. (Cond. 5).
- Provide proof of loss if requested. (Cond. 3 b).
- Must obtain Insurer's approval before doing anything that affects the Insurer's rights or remedies. (Cond. 5 c & 6 f).
- Must take reasonable steps to mitigate damage to the Insurer.

Inflation Coverage: Homeowners Policy versus Standard Policy. (Cond. No. 9).

- The face amount of the Policy automatically increases by 10% per year for the first 5 years, up to 150% of the face amount of the Policy.
- No corresponding coverage in Standard Policy.

Date of Homeowners Policy and Anniversary Date:	Face Amount of Homeowners Owner's Policy:	Date of Standard Policy and Anniversary Date:	Face Amount of Standard Owner's Policy:
June 8, 2020	\$500,000.00	June 8, 2020	\$500,000.00
June 8, 2021	\$550,000.00	June 8, 2021	\$500,000.00
June 8, 2022	\$605,000.00	June 8, 2022	\$500,000.00
June 8, 2023	\$665,500.00	June 8, 2023	\$500,000.00
June 8, 2024	\$732,050.00	June 8, 2024	\$500,000.00
June 8, 2025	\$750,000.00	June 8, 2025	\$500,000.00

Covered Risks No. 1 Thru 7: These coverages include post-policy coverage

- Covered Risk No. 7: Any of Covered Risks 1 through 6 occurring after the Policy Date. (New Coverage).
- Covered Risk No. 1: Someone else owns an interest in Your Title. Post-Policy example: Adverse Possession. (standard: covered risk No. 1).
- Covered Risk No. 2: Someone else has rights affecting Your Title because of leases, contracts, options, possession rights under an unrecorded lease. Post-Policy example: Options or ROFRs. (standard: covered risk No. 2).

Covered Risks Nos. 1 Thru 7: They include post-policy coverage.

- Covered Risk No. 3: Someone else claims to have rights affecting Your Title because of forgery or impersonation. Post-Policy example: Deed theft; Identity theft. (standard: covered risk No. 2.).
- Covered Risk No. 4: Someone else has an Easement on the Land. Post-Policy example: claim of Easement by Prescription. (standard: covered risk No. 2).
- Covered Risk No. 5: Someone else has a right to limit Your use of the Land. Post-Policy example: Restrictions. (standard: covered risk No. 2).

Covered Risks No. 1 Thru 7: include post-policy coverage

- Covered Risk No. 6: Your Title is defective. Some of these defects are: (including post-policy coverage) (standard: covered risk No. 2, (a)).
 - 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. (not an exhaustive list).
- Other Post-Policy provisions: Encroachments (No. 28) and Minerals (No.29)

ALTA Homeowners Policy Covered Risks Nos. 8 Thru 10:

Covered Risk No. 8: Someone else has a lien on Your Title, including:

- A lien of real estate taxes or assessments imposed on Your Title by a governmental authority that are due or payable, but unpaid;
- Mortgage;
- Judgment, state or federal tax lien;
- Charge by a homeowner's or condominium association; or
- Lien, occurring before or after the Policy Date, for labor and material furnished before the Policy Date. (standard: covered risk No. 2).

Covered Risk No. 9: Someone else has an encumbrance on Your Title.
(standard: covered risk No. 2).

Covered Risk No. 10: Someone else claims to have rights affecting Your Title because of fraud, duress, incompetency or incapacity. (standard: covered risk No. 2,a).

Covered Risk No. 11: Enhanced Access Coverage. Standard Risk No. 4.

- Access Coverage Risk No. 11 insures against loss if “you do not have both **actual vehicular and pedestrian** access to and from land, **based upon a legal right.**”
- This is a broader “Access” coverage than the “Access” coverage offered in the Standard Owner’s Policy which provides coverage against: “**No right of access to and from the Land.**”
- This coverage is similar to a form of “Affirmative Coverage” which is often given to the lender on Loan Policy. See ALTA Endorsement Nos. 17-06 and 17.01.

ENHANCED “RESTRICTIVE COVENANT” COVERAGES:

- Covered Risk No. 12: Existing Violations. (new coverage).
- Covered Risk No. 13: Loss of Title. (new coverage).
- Covered Risk No. 26: Discriminatory Covenant, Condition or Restriction. (new coverage).

Covered Risk No. 12. RESTRICTIVE COVENANT COVERAGE: Existing Violations

Covered Risk No. 12 : provides coverage if 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 under this provision for any violation related to:

- a. Maintenance or repair issues/obligations that are needed on the Land; or,
 - b. Environmental protection issues of any kind, including hazardous or toxic conditions or substances.
- Form of “Affirmative Coverage” which is often given to the lender on the Loan Policy. Similar to the ALTA Endorsement No. 9 series.

Covered Risk No.13. ENHANCED “RESTRICTIVE COVENANT” COVERAGES: Loss of Title

- **Covered Risk No. 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.
- This protects the Insured from possible existing reversionary rights or interests.

Covered Risk No. 26. ENHANCED RESTRICTIVE COVENANT COVERAGES: Discriminatory Covenant, Condition or Restriction.

- **Covered Risk No. 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.
- Some people or groups may still be subject to or fear attempts by others to enforce these restrictions.
- If someone attempts enforcement, the Insurer will provide a defense under Federal Law and/or State Law.

Homeowners Policy Covered Risks Nos. 14 and 15.

- **Covered Risk No. 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 Risk is limited to the extent of the violation or enforcement stated in that notice. (standard: covered risk No. 5).

- **Covered Risk No. 15:**

An enforcement action based on the exercise of a governmental police power not covered by Covered Risk 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 Risk is limited to the extent of the enforcement action stated in that notice. (standard: covered risk No. 6).

REGULATION OR CODE VIOLATION COVERAGES: Reg/Code or Use Coverage vs. Title Coverage

- **COVERED RISK NO. 16:** Subdivision Coverage. (new coverage).
- **COVERED RISK NO. 18:** Building Permit Coverage. (new coverage).
- **COVERED RISK NO. 19:** Zoning Coverage-Forced Removal. (new coverage).
- **COVERED RISK NO. 20:** Zoning Coverage-Single Family Usage Coverage. (new coverage).
- Covered Risks Nos. 16, 18, 19 are subject to Maximum Dollar Limits and Deductibles.

SUBDIVISION COVERAGE:

Reg/Code or Use vs. Title Coverage

SUBDIVISION COVERAGE:

- **COVERED RISK NO. 16:** Provides coverage against an existing subdivision law or regulation violation affecting the land that causes:
 - a. The inability to obtain a building permit;
 - b. You are required to correct or remove the violation; or
 - c. If you are under contract to sell your property and the buyer(s) refuse to go through with the transaction because of the subdivision violation or a lender refuses to make a mortgage because of the subdivision violation. **(Marketability Coverage).**
- The amount of Insurance for this covered risk is subject to the dollar limits and deductible shown on the chart to the right:

	Your Deductible Amount	Maximum Dollar Limit
Covered Risk No. 16	1% of Policy Limit or \$2,500.00 (whichever is less).	\$10,000.00

BUILDING PERMIT COVERAGE: Reg/Code or Use vs. Title Coverage

BUILDING PERMIT COVERAGE:

- **COVERED RISK NO. 18:** Protects Insured against forced removal of existing structures, or any part of them, because they were erected without Building Permits.
- This coverage does not include boundary walls or fences.
- The amount of Insurance for this covered risk is subject to the dollar limits and deductible shown on the chart to the right:

	Your Deductible Amount	Maximum Dollar Limit
COVERED RISK NO. 18	1% of Policy Limit or \$5,00.00 (whichever is less)	\$25,000.00

ZONING COVERAGE:

Reg/Code or Use vs. Title Coverage

ZONING COVERAGE:- Forced Removal

- **COVERAGE RISK NO. 19:** Protects Insured against **forced removal** or **remedy of** existing structures, or any part of them, because they violate Zoning Laws or Regulations.
- The amount of Insurance for this covered risk is subject to the dollar limits and deductible shown on the chart to the right:
- This coverage does not include boundary walls or fences.

	Your Deductible Amount	Maximum Dollar Limit
COVERED RISK NO. 19	1% of Policy Limit or \$5,000.00 (whichever is less)	\$25,000.00

ZONING COVERAGE CONTINUED: Reg/Code or Use vs. Title Coverage

- **ZONING COVERAGE:-** Single Family Usage.
- **COVERAGE RISK NO. 20:** Provides coverage to the Insured because Insured cannot use the land because use as a single-family residence violates an existing Zoning Law or Zoning Regulation.
- The amount of insurance for this covered risk is **NOT** subject to dollar limits and deductibles.

Required Part of Schedule A of Policy.

Deductible Amounts and Maximum Dollar Limits of Liability for Covered Risk 16, 18, 19 and 21:

	<u>Your Deductible:</u>	<u>Our Maximum Dollar Limit of Liability</u>
<u>Covered Risk 16:</u>	1% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$10,000.00
<u>Covered Risk 18:</u>	1% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$25,000.00
<u>Covered Risk 19:</u>	1% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$25,000.00
<u>Covered Risk 21:</u>	1% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$5,000.00

Encroachment Coverages: Covered Risks Nos. 21, 22, 23 and 28. (all new coverages).

- **COVERED RISK NO. 21:** Provides coverage if you are forced to remove or remedy an existing structure that is encroaching onto your neighbor's land.
- This coverage includes boundary walls or fences; however, boundary walls or fences are subject to a deductible and to a maximum dollar limit as set-forth on Schedule "A" of the policy as follows:

	Your Deductible Amount	Maximum Dollar Limit
COVERED RISK 21	1.00% of Policy Amount or 2,500.00 (whichever is less)	\$5,000.00

ENCROACHMENT COVERAGES CONTINUED:

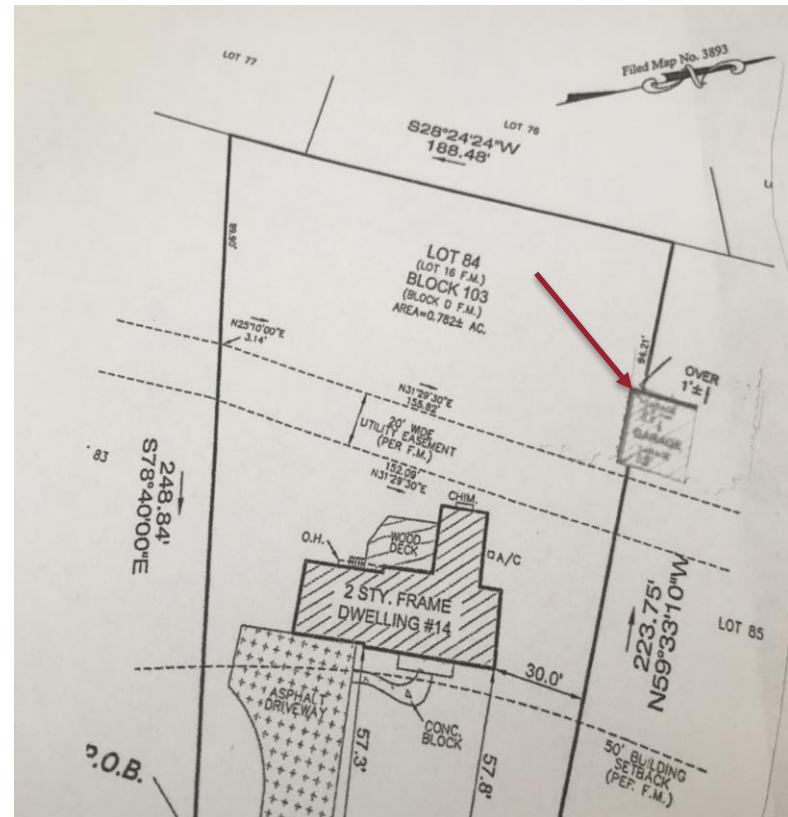
- **COVERED RISK NO. 22:** Provides coverage if you lose a sale or a refinance of a loan because your neighbor has an existing structure that encroaches on your Land.
- **Marketability Coverage:** If you are under contract to sell your property and the Buyer(s) refuses to go through with the transaction because of the neighbor's encroaching structure.

ENCROACHMENT COVERAGES CONTINUED:

- **COVERED RISK NO. 28:** Provides coverage to the Insured if the Insured's neighbor builds a structure after the date of the policy that encroaches onto the Insured's land.
- **Post Policy Coverage.**
- This coverage does not include the encroachments of neighbor's boundary walls or fences.

Examples of Encroachment Coverage Risk Nos. 21, 22, & 28

- Example of coverage under **Covered Risk No. 21**: if our Insured owns Lot 85 and the Insured's **Existing** garage encroaches upon the neighbor's Lot 84, and Insured is forced to remove the garage, Insured is covered under **Covered Risk No. 21**.
- Example of coverage under **Covered Risk No. 22**: If the neighbor's **Existing** garage as shown on Lot 85 encroaches on our Insured's Lot 84 and the Insured is unable to sell or refinance, the Insured is covered under **Covered Risk No. 22**.
- Example of coverage under **Covered Risk No. 28**: if the neighbor's garage as shown on Lot 85 encroaches on Insured's Lot 84 and the garage was built **Post Policy**, Insured is covered under **Covered Risk No. 28**.

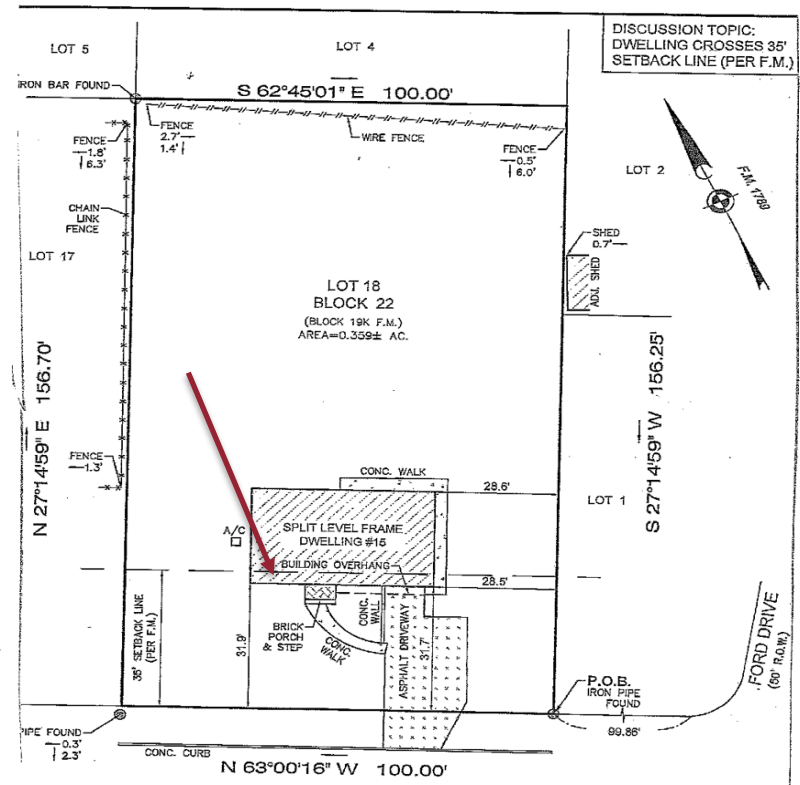


ENCROACHMENT COVERAGES CONTINUED:

- **COVERED RISK NO. 23:** Provides coverage if the Insured is forced to remove the structures that encroach onto an easement or a building set-back line, even if the easement or the building set-back line are excepted in Schedule B.

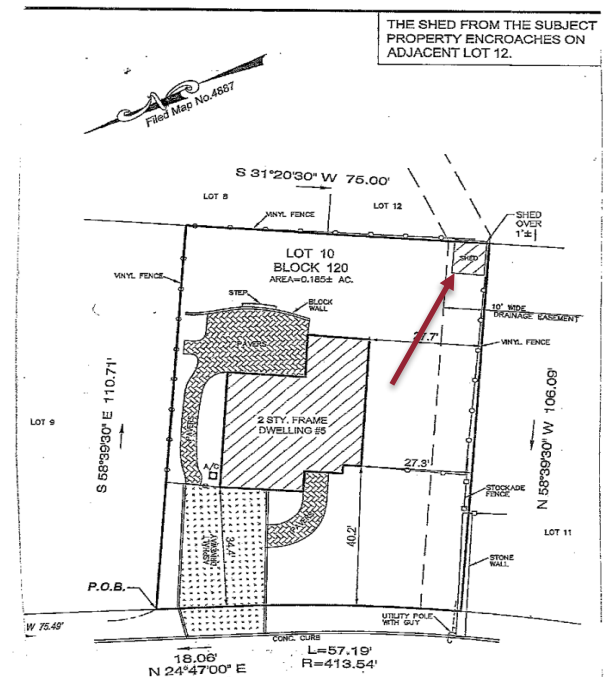
Example of Covered Risk 23 violation.

- Example of Covered Risk No. 23. Here we have a survey showing the dwelling crossing over the building set-back line.
- If this survey is presented with this encroachment, you should consider issuing the Standard Policy (contact Underwriter).
- If a survey is not presented, the survey exception should always remain as an exception in the Policy.



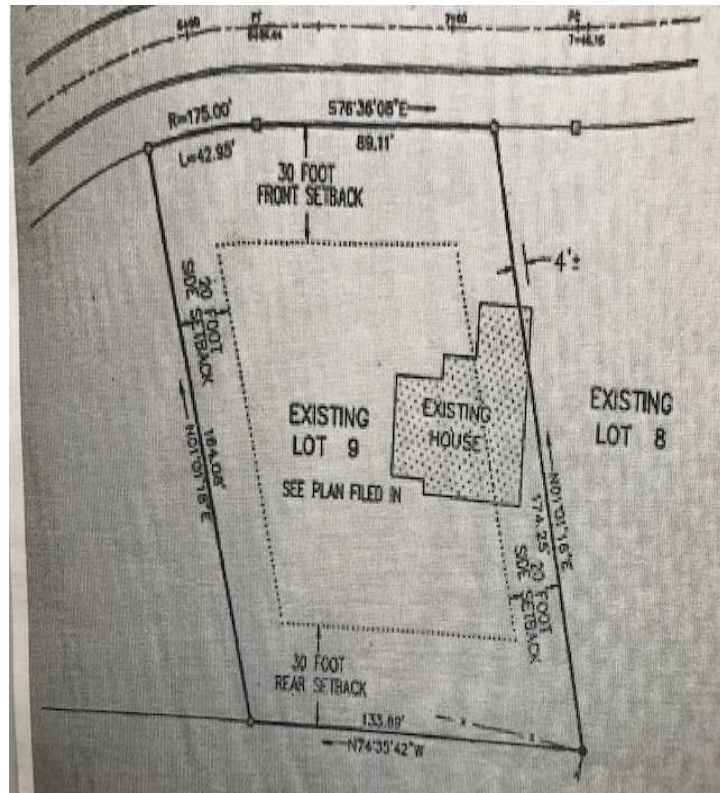
Another example of Covered Risk 23 violation.

- Another example of Covered Risk No. 23. Here we have a survey showing the shed on our property encroaching upon the drainage easement running along the South Westerly line of our property.
- If survey is presented with this encroachment, you should consider issuing the Standard Policy (contact Underwriter).
- If a survey is not presented, the survey exception should always remain as an exception in the Policy.



Possible coverage triggers and possible claims

- Covered Risk No. 23: Violation of the building set-back line.
- Covered Risk No. 12: Violation of a restriction for a set-back line found in a deed in the chain that runs with the land.
- Covered Risk No. 14 (b): Violation of Zoning Ordinance because we have a “Notice” recorded in the County.
- Covered Risk No. 19: Violation of a Zoning Ordinance. Zoning ordinance set-back violation.
- Covered Risk No. 21: Forced removal of a structure that encroaches upon your neighbor’s property.



EASEMENT DAMAGE COVERAGE:

- **COVERAGE RISK NO. 24:** Provides coverage if the Insured's 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. (new coverage).
- This Coverage is similar to a form of "Affirmative Coverage" which is often given to the lender on a Loan Policy. See ALTA Endorsement No. 28-06.

MINERAL RIGHTS EXTRACTION DAMAGE COVERAGE:

- **COVERAGE RISK NO. 25:** Your existing improvements (or a replacement or modification made to them after the Policy Date), 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. (new coverage).
- Covers improvements: including lawns, shrubbery and trees.
- **Post-Policy Provision.**
- Similar affirmative coverage as found in the ALTA 35.1-06 Endorsement.

SUPPLEMENT TAX COVERAGE:

- **Covered Risk 27:** Provides coverage if 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 in ownership or use that occurred before the policy date. (new coverage).
- Event must have occurred before policy date (not the insured transaction), with post-policy assessment.

Marketability Coverage:

- **Covered Risk No. 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. (standard: covered risk No. 3)

Invalidation of prior transfers under Bankruptcy, State Insolvency or similar creditors' rights laws

- **Covered Risk No. 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. (standard: covered risk No. 9).

RESIDENCE LOCATION COVERAGE:

- **Covered Risk No. 31:** The residence with the address shown in Schedule “A” is not located on the land at policy date. (new coverage).
- The house is not on the right land.
- May occur when street addresses on condos are in reverse order from the unit numbering.
- May require deed swaps when all units or lots have corresponding errors.
- Similar language as contained in ALTA 22-06 location endorsement.

The Gap coverage language in the Standard Policy versus the language found in the Homeowners Policy.

- Covered Risk No. 10, ALTA Standard Policy: Any defect in or lien or encumbrance on the Title or other matter included in Covered Risks 1 through 9 that has been created or attached or has been filed or recorded in the Public Records subsequent to Date of Policy and prior to the recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.
- Condition 1, Definition h: ALTA Homeowners Policy, - Policy Date, the date and time shown in Schedule A. If the insured named in Schedule A first acquires the interest shown in Schedule A by an instrument recorded in the Public Records later than the date and time shown in Schedule A, the Policy Date is the date and time the instrument is recorded.

Continuation of Coverage: Policies compared.

ALTA HOMEOWNERS POLICY (cond. 2)

- Policy insures you forever, even after you no longer have Title to property;
- The policy also continues in effect in the following situations:
 - a. Anyone who inherits the Title because of the death of the insured.
 - b. A spouse who receives the Title because of the dissolution of a marriage.
 - c. For the Trustee or Successor Trustee of a trust for whom the insured transfers his/her Title after the Policy Date.
 - d. The Beneficiaries of the Insured's Trust upon Insured's death; or
 - e. Anyone who receives the Title by transfer upon the Insured's death by operation of law.
- **NOTE:** Successors and Transferees Endorsement is available under both Policies.

ALTA STANDARD POLICY (2006) (cond. 1,2)

- Policy insures the Insured as of the date of the Policy, but only so long as the Insured owns the property, or
- Only so long as the Insured has liability by reason of warranties in any transfer of the title.
- **NOTE:** the standard policy has an expansive definition of the Term "Insured" and includes:
 - a. Successors to the insured by operation of law;
 - b. Successors to the insured by dissolution, merger, consolidation, distribution or reorg;
 - c. Successors to an insured by conversion to a different type of entity;
 - d. Conveyance to a Grantee, **Wholly owned** by the Insured or a Trust/Beneficiaries grantee of Insured for no consideration. This includes stock, shares, memberships or other equity interests of the grantee. Affiliated entities.

Exclusions ALTA Homeowners Policy:

1. Governmental police power, and the existence or violation 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; and
- f. environmental protection.

This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23, or 27.

2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. **This Exclusion does not limit the coverage described in Covered Risk 14 or 15.**

3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.

4. Risks:

- a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
- b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
- c. that result in no loss to You; or
- d. that first occur after the Policy Date - **this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.**

Exclusions ALTA Homeowners Policy:

5. Failure to pay value for Your Title.

6. Lack of a right:

- a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
- b. in streets, alleys, or waterways that touch the Land.

This Exclusion does not limit the coverage described in Covered Risk 11 or 21.

7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.

8. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake or subsidence.

9. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

Limitation of Liability:

- **Limitation of Liability as set-forth in condition No. 6 of the Homeowners Policy.**
- 1. Insureds actual loss; 2. Maximum dollar limits for covered risks 16, 18, 19 or 21 (subject to deductible); or 3. The Policy amount then in force. (condition 6, (a) (1), (2), (3)).
- If Insurer is unsuccessful in est. the Title: 10% increase in amount of insurance, and right of insured to determine when loss occurred: either date claim was made or the date it is settled and paid. (condition 6, (b) (1), (2)).
- In addition, will also pay costs, attorney fees, and expenses. (condition 6, (a)).
- Pays rent for equivalent residence.

Determination and extent of Liability as set-forth in condition 8 of the Standard Policy:

- 1. The amount of insurance; or, 2. The difference between the value of the Title as insured and the value of the Title subject to the risk insured against. (condition 8, (a) (i), (ii)).
- If Insurer is unsuccessful in est. the Title: 10% increase in amount of insurance, and right of insured to determine when loss occurred: either date claim was made or the date it is settled and paid. (condition 8, (a) (i), (ii)).
- In addition, will also pay costs, attorney fees, and expenses. (condition 8, (c)).

COST / PRICING:

- The premium cost for the ALTA HOMEOWNERS POLICY is a surcharge equal to 20% of the “Standard Coverage” policy premium.
- For a comparison of the cost of “Owner’s Coverage” between the “Standard Coverage” policy and the ALTA HOMEOWNERS POLICY, please see the accompanying chart:
- An increase in risk equals an increase in premium.
- *Exclusive of search fees, examination fees, endorsements and pass-through charges, etc.

PURCHASE PRICE POINT	STANDARD PREMIUM*	HOMEOWNERS PREMIUM*	DIFFERENCE 20%
\$150,000.00	\$738.00	\$885.00	\$147.00
\$250,000.00	\$1,163.00	\$1,395.00	\$232.00
\$350,000.00	\$1,588.00	\$1,905.00	\$317.00
\$450,000.00	\$2,013.00	\$2,415.00	\$402.00
\$550,000.00	\$2,363.00	\$2,835.00	\$472.00
\$1,000,000.00	\$3,600.00	\$4,320.00	\$720.00

The logo for Stewart, featuring the word "stewart" in a white, lowercase, sans-serif font on a dark red rectangular background.

stewart

Real partners. Real possibilities.™

Thank You!

Questions?