

# What can an Owner Policy do for me?

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# Standard Owner's coverage provides:

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1. That there are no claims or liens on title as of the moment that your Deed is recorded or filed;
2. That your Deed is properly recorded;
3. That there is legal access to the insured parcel; and
4. That CATIC<sup>®</sup> will defend against any claims against your ownership of the insured property.

# What do you mean by “claims or liens”?

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# “Claims or liens” can mean:

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- Undischarged mortgages from previous owners
- Missing interests in your Deed
- Incorrect property descriptions in your Deed
- Defects in a foreclosure in the chain of title
- Unpaid municipal liens and charges

I don't need that! The lender's policy covers me!

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# Well, no.

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- The Mortgagee Policy of insurance is for the benefit of the lender, not the owner of the real estate, and insures only that your mortgage:
  - is valid in the state where the property is located and
  - is properly recorded in the Land Records (or Registry of Deeds or Registry District of the Land Court as appropriate.)

The closing attorney can fix the problem.

7



# Yes, that's right, but which costs more?

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- **An attorney's fee to clear a title problem that would be covered under an owner policy of title insurance?**
- **A one-time title insurance premium?**



Still, if I have a problem, I'll hire a lawyer.

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# You can do that, but keep in mind that

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- An attorney's job is to provide you with legal counsel.
- An attorney cannot provide you with coverage for a loss due to an intentional bad act like:
  - a forged Deed,
  - a fraudulent Discharge of Mortgage, or
  - “stacked” mortgages

# Okay, so what can Owner's title insurance do?

11



# Owner Policies in a nutshell:

12

## Standard (6/17/2006)

- 1-4 family residences
- Vacant land
- Commercial property

## Expanded (7/2005)

- 1-4 family residences

# A Standard Owner policy insures:

13

- that you are the record owner as of the time and date that your deed is recorded
- that you have marketable title to the property
- that your title is free of defects
- that you have legal access to your property
- (CATIC's Homeowners Protection Clause automatically increases the coverage amount by 10% per year for the first five years of your ownership to keep pace with the increasing value of your property, too.)

# This means that CATIC promises to:

14

- **Continue coverage to a new buyer or lender so that your closing will proceed without a hitch!**
- ***Pay* to obtain corrective Mortgage Discharges or Deeds (at no cost to you) if necessary;**
- ***Pay* for missed bills for municipal charges (again, at no cost to you) if necessary;**
- ***Pay* to litigate the defense of your title (and did I mention that this is at no cost to you?) if necessary.**



**Okay, but what is “Expanded” title insurance?**

# In addition, an Expanded Owner Policy:

16

- **Pays** if you are forced to remove a building or improvement built without a permit before you took title, or if you can't use your property as a single family home
- **Pays** if someone encroaches on your land (or if you encroach on someone else's land!)
- **Pays** if someone refuses to buy, lease, or take a mortgage on your property because of:
  - a subdivision or zoning violation
  - violation of a restriction on your land that occurred prior to your ownership



This means that CATIC also promises to:

17

- **Defend your title in any court case for any claim arising under your CATIC Owner policy or CATIC Expanded Owner policy at no cost to you.**



**I'm still not convinced. Give me an example of when an Owner policy makes a difference.**

# A CATIC Owner Policy can help:

19

- When you find out that your title comes from a defective foreclosure (even if the defect happened years before you bought the property)
  - Without an Owner policy, you'll need to take care of this on your own.



# or if you find out that

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- The last owner's mortgage wasn't discharged (or worse, wasn't paid off).
  - Without an Owner policy, you'll need to take care of this on your own.



# or if you find out that

21

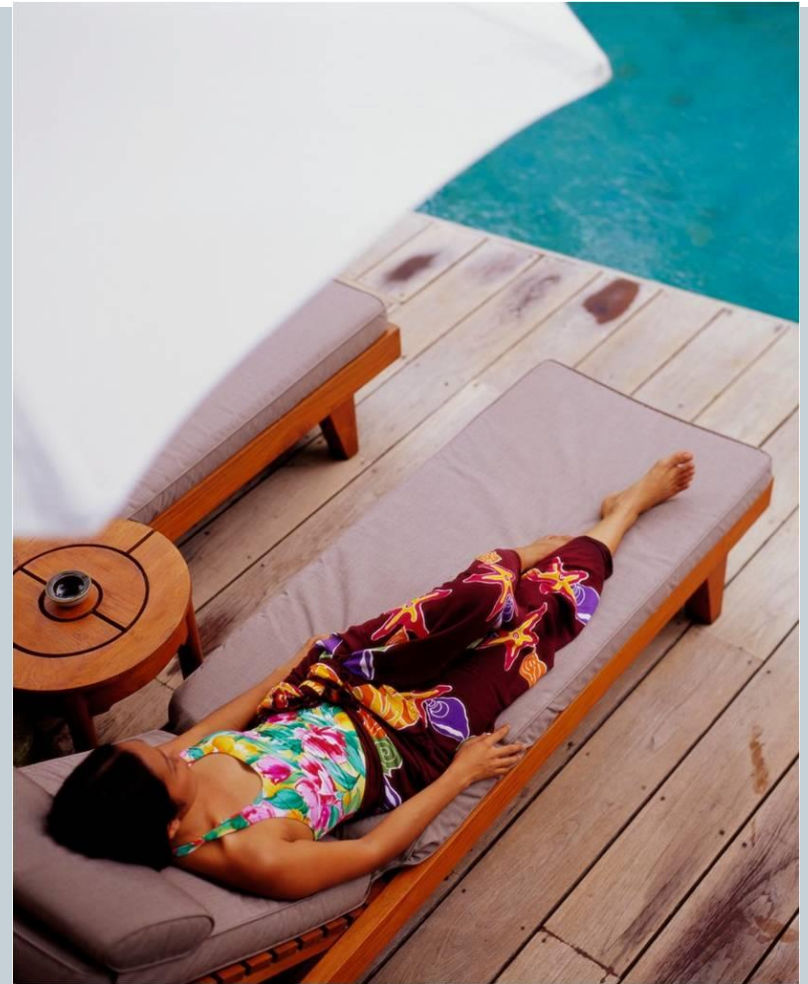
- There are unpaid real estate taxes, water/sewer charges, or a special assessment on your title that should have been paid at your closing.
  - Without an Owner policy, you'll need to take care of this on your own



# or you find out that

22

- Part of your next-door neighbor's new swimming pool is in your back yard.
  - Without an Owner policy, you'll need to take care of this on your own



So *that's* what an Owner Policy does for me!

23



