



RESIDENTIAL & COMMERCIAL TITLE INSURANCE

Managing Risks in the Conveyancing Transaction

There are many risks which are inherent in the conveyancing process and your clients look to you as their representative to provide advice in respect of these risks to which they are exposed. Title Insurance is a new specialised type of 'conveyancing risk insurance' available to purchasers and owners of residential and commercial property which can assist you in effectively managing some of these risks.

Stewart Title's **Commercial and Residential Title Insurance policies** operate in conjunction with the Torrens System and cover risks which generally fall outside of the scope of the State guarantee of title. These risks include illegal building works, encroachments, zoning non compliance, non compliance with easements and covenants, as well as other transactional risks such as post-settlement dealing registrations by a third party and fraud and forgery.

RESIDENTIAL TRANSACTIONS

Risks Occurring Before Settlement & During the Registration Period

The Stewart Title Residential Purchaser Policy provides protection in respect of residential and rural zoned land for actual loss against risks that are unknown to your clients, and where the circumstances creating or giving rise to the risks existed or occurred before settlement or during the registration period.

Cover is provided for risks including:

- illegal structures which have been built without the required Council permits or which do not comply with those permits (for rural properties this cover only applies to the primary residence and not to other structures on the property)
- any adverse matters that would have been revealed in an up to date survey report (excluding boundary walls and fences)
- unregistered easements and rights of way
- non compliance with covenants or restrictions on the land
- contravention of existing zoning laws
- other persons not on title have an interest or rights of possession in the land
- fraud, forgery, impersonation, duress, mental incompetence or incapacity
- the insured does not have a legal right of access to and from their land
- structures on the insured's land encroach onto the neighbour's land or vice versa
- unpaid Council rates, land taxes or outstanding accounts due to local or public authorities caused by an error by the relevant Council or authority or by your office
- any adverse matter that a local authority search or a search of the public records would have shown at the time of settlement
- someone else lodges a dealing which prevents the insured's interest from being registered or recorded

Stewart Title also provides protection to lenders in the residential and commercial property markets.

Risks Occurring After Settlement

Cover is also provided against the following risks where the circumstances creating or giving rise to these risks occur after settlement:

- fraud, forgery or misrepresentation which lead to someone else claiming an interest in the land
- someone else builds a structure, other than a boundary wall or fence, which encroaches onto the insured's land
- someone else claiming an interest in the land or an encumbrance, charge or lien on the title because of a mistake by the title registry or governmental or local authority

For full details on cover and exclusions from cover, refer to a sample policy available on our website or upon request.

COMMERCIAL TRANSACTIONS

Stewart Title has developed a comprehensive Commercial Purchaser Policy for transactions of up to \$2,000,000. Stewart Title's Commercial Purchaser Policy provides protection in respect of commercial, industrial and rural zoned land against risks which are unknown to your clients and where the circumstances creating or giving rise to the risks existed or occurred before settlement or during the registration period.

Cover is provided for risks including:

- illegal structures which have been built without the required Council permits or which do not comply with those permits (for rural properties this cover only applies to the primary residence and not to other structures on the property)
- any adverse matters that would have been revealed in an up to date survey report (excluding boundary walls and fences)
- someone else lodges a dealing which prevents the insured's interest from being registered or recorded
- unregistered easements and rights of way
- contravention of existing zoning laws
- other persons not on title have an interest or rights of possession in the land
- fraud, forgery, impersonation, duress, mental incompetence or incapacity

For full details on cover and exclusions from cover, refer to a sample policy available on our website or upon request

Cover for Known Defects

Stewart Title can provide cover over known defects for residential purchase transactions. Title Insurance can therefore be used to overcome problems uncovered during the conveyancing transaction. The decision to cover known defects is made on a case by case basis.

Stewart Title recognises that commercial transactions vary in nature. We offer a Commercial Purchaser Policy for properties with a purchase price of over \$2,000,000 which may be tailored to suit your client's risk management requirements. Please contact our underwriting department on 1800 300 440 to discuss how we can help protect your client.

Marketability Cover

A unique feature of title insurance is 'marketability' cover. Cover is provided to the insured in the event that the property becomes unmarketable because a person refuses to complete a contract to purchase the insured property or comply with a lease, or a lender refuses to grant a mortgage over the property as a result of a risk that is covered under the policies.

This protection helps to ensure that a transaction proceeds that might otherwise have fallen through. We may rectify the defect or the insured may be compensated where there is a reduction in the sale price or they re-sell the property to another purchaser at a lower price.

Duty to Defend

In addition to cover for actual loss, Stewart Title has a duty to defend any challenge to the insured's title based on a covered risk. As part of this duty, we will cover the costs, legal fees and expenses incurred in that defence. It is of considerable benefit to the insured that any such costs, fees or expenses paid will not reduce the policy amount of cover provided.

EXISTING OWNERS – RESIDENTIAL & COMMERCIAL

Protection also exists for existing owners through our **Residential Existing Owner Policy and Commercial Existing Owner Policy**. Similar cover to that found within our Residential and Commercial Purchaser Policies is provided for risks which existed at the date that the property was originally purchased.

Most significantly, the Residential and Commercial Existing Owner Policies provide cover against loss resulting from fraud and includes a duty to defend the insured's legal ownership in the property, including paying legal fees and expenses incurred in the defence.

A DIFFERENT KIND OF INSURANCE

- your client pays a **one time premium** and obtains protection forever
- premiums start at **\$300** (excluding GST and stamp duty) for **residential** properties valued up to \$500,000*
- for **residential** transactions cover is provided for losses up to the purchase price of the property with an allowance for increases in line with increases in fair market value of the property up to a maximum of 200% of the original purchase price
- **no cap** on cover apart from the policy amount
- **no excess** payable on claims
- **no fault** claims process
- **no additional premium** where cover is given over known defects

* For complete details on residential and commercial premiums, refer to a Premium Schedules available on our website.

WHAT SETS US APART – PARTNERING WITH THE PROFESSION

Fundamental to Stewart Title's business philosophy is our positioning in the market as partners with the legal and conveyancing professions in the delivery of our product. This is reflected in every aspect of our business.

Our team has extensive experience in the legal and real estate industries, so we are able to apply our specialist expertise in providing insurance solutions and in understanding the risks and exposures faced by solicitors and conveyancers in conveyancing transactions.

Further, we do not support programs that reduce or eliminate your role in the transaction. In fact, we always aim to help strengthen your role and work with you in offering the best possible protection and service to your clients.

This is evidenced by the introduction of **StewartCONNECT**. This program allows solicitors and conveyancers to easily integrate Title Insurance into your current risk management strategies. Further it demonstrates our support of the profession in partnering with you for mutual success.

To make Stewart Title insurance policies available to your clients, you can become a member of StewartCONNECT. As a member of StewartCONNECT, you become our representative for the sole purpose of providing advice in relation to, and arranging for the issue of Stewart Title insurance policies.

For further information on StewartCONNECT, refer to the corresponding brochure or contact a member of our Business Development Team.

In partnering with solicitors and conveyancers to make our protection available to purchasers and home owners, we have made a commitment to **waive any rights and remedies or relief** to which we become entitled in our policies by way of subrogation against you where a claim arises as a result of your negligence.

This waiver is subject to a number of conditions. Please refer to our website for further information or contact us on **1800 300 440**.

Risk Management Solutions for Property Transactions

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This material is intended to provide information of a general nature. Please refer to the policy for full details, including the specific terms and conditions. Sample policies are available on our website or upon request. Premiums are subject to change without notice. 0908