



RESIDENTIAL TITLE INSURANCE

Protecting Your Ownership of Your Property



Purchasing a home is possibly the most important investment that any of us will ever make – an investment that should be protected.

Protecting the ownership of your home is just as important as protecting your home and its contents from physical loss or damage. This is because your ownership, which is evidenced by a Certificate of Title that establishes rights to occupy and use the property, is exposed to many risks that can limit those rights.

Stewart Title can help minimise or eliminate these risks providing peace of mind that we will be there to lend a hand if something goes wrong.

While other types of insurance that protect your home focus on possible future events, title insurance is a unique kind of insurance that protects your legal ownership of a property against losses incurred as a result of unknown or undetected risks that already existed prior to the date of settlement of your purchase.

Here are some examples of risks that you are exposed to that Stewart Title protects against:

- forced removal by Council of an illegal structure because it was built by a previous owner without the required Council building or planning permits (for rural properties, this cover is limited to the main residence)
- someone else claiming ownership of a part or all of your land by adverse possession
- forced removal or relocation of a structure because it encroaches over an easement or on to the neighbour's property
- any issue that would have been revealed in an up to date survey report (excluding boundary walls and fences)
- outstanding rates and taxes on the property which you are now liable for as the current owner of the property

There are also a number of risks that can arise post settlement that you are protected against:

- sale of your property by a fraudster or identity thief to an innocent third party who may be entitled to ownership of your property under our legal system
- a neighbouring structure encroaching on your land affecting the use of your property
- you are prevented from transferring the property into your name because another person has recorded an interest on the title before your bank registered your transfer document.

These risks can cause significant financial loss and stress. With a Stewart Title policy in place you can relax, as you will be protected for **losses up to the purchase price of the property** (with an allowance for increases in line with increases in fair market value of your property over time up to a maximum of 200% of the original purchase price) – this is known as the 'policy amount'.

An additional benefit is that all **costs, legal fees and expenses** in resolving a problem will be covered by us in addition to the policy amount. Further, your **rental costs** for a similar home will be reimbursed to you in the event that you are forced to rent other accommodation because you cannot use your home due to a circumstance covered by our policy.

Like all insurance policies, the Stewart Title policy excludes certain risks from cover. Some of these standard exclusions include:

- risks which cause no loss or damage;
- boundary walls and fences;
- risks which the insured creates, allows or agrees to;
- risks which are known to the insured, but not to Stewart Title;
- risks arising from business activities;
- risks or loss arising from environmental contamination or environmental protection;
- risks which occur or come into existence after the policy date (except where specifically included in the policy);
- claims under legislation relating to home building insurance;
- native title.

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

If you discover a defect or risk during the conveyancing transaction, please contact us as we may provide cover over a known defect for no additional premium.

A DIFFERENT KIND OF INSURANCE

- **One time premium** provides protection **forever**
- **No excess** payable on claims
- **No fault claims process** means you don't have to prove fault or negligence - you only need to prove that you have suffered actual loss based on cover that the policy provides
- **No cap on cover** apart from the policy amount

Premiums start from only **\$300** (exclusive of GST and stamp duty) for properties valued up to \$500,000.

For full details on premiums, refer to a Premium Schedule available on our website.

IF I HAVE A SOLICITOR OR CONVEYANCER, WHY DO I STILL NEED TITLE INSURANCE?

One of the most important jobs for your solicitor or conveyancer is to make sure that you have good title to the property that you are buying. Good title is important because it ensures that you really own the property, that it is correctly described in public records, and that no one else has a claim to it that you don't know about. Good title is also essential to be able to sell your home in the future.

To do this, your solicitor or conveyancer will conduct a number of searches and enquiries in order to identify any problems. Unfortunately, your title or ownership in the property is not guaranteed absolutely, as there are still risks that even the most diligent professional cannot protect against. For instance, there may be an absence of important information from searches and records which are assumed to be correct.

Title insurance does not replace the need to retain a solicitor or conveyancer. However the combination of title insurance with your solicitor's or conveyancer's advice, will provide the most comprehensive cover available to protect your legal ownership in your home.

PROTECTION FOR EXISTING HOMEOWNERS

If you already own a home, you can obtain the protection that title insurance provides by applying for a Residential Existing Owner Policy.

Similar cover to that found within our Residential Purchaser Policy is provided for risks which existed at the date that you originally purchased your home.

Most significantly, the Residential Existing Owner Policy provides cover against loss resulting from fraud. Fraud occurs in a number of ways, for example, a fraudster or identity thief may take on your identity in order to obtain funds through the fraudulent sale or re-mortgage of your property. Unfortunately, the law is likely to protect the innocent purchaser or lender even though you are the true owner of your property.

Losses from fraud are often catastrophic with homeowners bearing significant legal fees to defend their legal ownership.

The Residential Existing Owner Policy provides peace of mind that you will be covered for losses due to fraud and it includes a duty to defend your legal ownership in the property, including paying legal fees and expenses.

HOW TO APPLY FOR A TITLE INSURANCE POLICY

Stewart Title insurance policies can be arranged through one of our member solicitors or conveyancers, or you can apply directly to Stewart Title. Please enquire with your solicitor or conveyancer whether they can arrange a policy for you.

Please note that a member solicitor or conveyancer acts as our representative solely for the purpose of providing advice in relation to, and arranging for the issue of Stewart Title insurance policies.

If your solicitor or conveyancer cannot arrange a policy, you can submit an application directly to Stewart Title. A Policy Order Form can be obtained from our website or by contacting us on 1800 300 440.

A Residential Purchaser Policy should be applied for *prior* to settlement.

Confirmation of your order will be provided prior to settlement so that you can proceed with the transaction with certainty. Once we receive your premium and notification that settlement has occurred, a policy will be issued to you.

A Residential Existing Owner Policy can be applied for at any time after settlement or during your ownership.

ABOUT STEWART TITLE

Stewart Title Limited is wholly owned by Stewart Title Guaranty Company the primary underwriter for Stewart Information Services Corporation (Stewart). The Stewart group of companies traces its origins back over 100 years in the USA and currently has more than 9,500 issuing offices worldwide across 18 countries.

Backed by our size, stability and experience, the Stewart group of companies is renowned for its comprehensive protection and exceptional claims paying ability. Since the company's founding, we have maintained strong steady growth. In 2006, we generated revenue in excess of \$2.4 billion (USD). In recognition of our reliable performance, Stewart has been included in recent lists of *FORTUNE* magazine's "Most Admired Companies" and *FORTUNE 1000*.

In Australia, Stewart Title Limited is regulated by the Australian Prudential Regulation Authority and its underwriting risks are reinsured with its parent company. Stewart Title is authorised to provide general insurance in all States and Territories and offers a full range of both residential and commercial title insurance products to purchasers, existing homeowners and lenders.

For more information about Stewart Title, please go to www.stewartau.com



REAL CLAIMS

Illegal Garage

After settlement, our insured received a letter from their local Council advising that Council proposed to issue an Order for demolition of the garage situated on the insured's property as it had been constructed by the previous owners without obtaining the required approvals from Council.

Our insured advised Council that they wished to retain the garage. Council subsequently inspected the garage and notified the insured that works were to be undertaken so that it complied and required the insured to obtain various expert reports and submit them to Council with an application for a Building Certificate.

Stewart Title liaised with Council and covered the costs associated with rectification works, the expert reports and application for a Building Certificate.

Unpaid Rates – Error by Council

Our insured received notification from Council following settlement that there were outstanding water/sewerage rates in relation to the insured property. An error had been made by Council with respect to the amount of rates payable as at the date of settlement.

The outstanding rates plus interest were paid by Stewart Title.

Boundary Discrepancy

Our insured received a letter from a government authority alleging that a large portion of the backyard was in fact owned by the government authority and that the insured was trespassing. The authority demanded the insured remove all structures placed on the disputed land and relocate the fence to the original title boundary.

Stewart Title covered legal costs to defend the insured's ownership on the basis that the insured had an adverse possession right over the land.

"...Thanks again for all your help. We were so thrilled with the product and service we received we've been spreading the word about Stewart Title insurance far and wide amongst our friends, work colleagues and peers!"

- Rachel Telford, Insured

"Being new to Australia when we purchased the house, title insurance from Stewart Title seemed like a good idea, but it was twelve months later when we realised what a good investment it had been. Stewart Title was friendly and extremely helpful in resolving a Council compliance issue that had not been declared by our vendor. Thanks again."

- Peter & Julie Dryer, Insured

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. 0807

Stewart Title Limited ARBN 101 720 101 (United Kingdom)