

TYPES of title policies

Owner's and lender's title insurance policies provide coverage against matters disclosed by the public records in the county in which the insured property is located, but which were not discovered during the title search. Below are the differences between standard and extended coverage policies issued to both Owners and Lenders:

A Standard Coverage policy contains "standard" exceptions for matters that would not be disclosed by a search of the public records. Standard coverage policies insure against matters disclosed in the public records in the county where the property is located as well as risks such as fraud or forgery.

An Extended Coverage policy provides additional coverage against loss due to matters such as survey or boundary issues or claims of parties in possession. Extended coverage is issued only upon request and an off-record investigation is required.

A survey, inspection and copies of unrecorded agreements are required to determine if extended coverage can be given and if any exceptions for specific adverse off-record matters must be added to Schedule B. Copies of unrecorded leases or other agreements will also be required to establish rights of parties in possession.

The requirements for issuance of an extended coverage policy include, but are not limited to:

- **A physical inspection of the property**
- **An American Land Title Association (ALTA) or American Congress on Surveying and Mapping (ACSM) Survey, certified to the Company**
- **Copies of any unrecorded leases or rental agreements affecting all or any portion of the property**

Title insurance is different than other types of insurance because prior to issuing a policy, risks are eliminated by a thorough examination of the items of record affecting the property, whereas most other forms of insurance are issued on the basis of assumption of unknown risks.

Pre-closing title clearance has to be performed to provide the insured with the coverage proposed in the title report, subject to the standard exceptions and exceptions specific to the property. The coverage provided is based on items which can be found in public records.

The foregoing is intended to highlight only some aspects of coverage and is not to be construed as expanding or limiting the coverage set forth in the policies. Decisions on coverage should only be made after a complete review of all the language of the policies themselves. For specific comparisons, the actual forms should be requested.