



Fidelity National Title[®] Insurance Company

EXPANDED COVERAGE PROVISIONS OF THE ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE FOR A ONE-TO-FOUR FAMILY RESIDENCE* (10-17-1998; revised 10-22-03)

- **INSURANCE COVERAGE FOREVER*** **Conditions #2(a)**

The first line of the second condition in the Homeowner's Policy contains this unprecedented statement:

This policy insures you forever; even after you no longer have your title.

All other policies terminate when the homeowner gives up title to a property and no longer has liability under title warranties.

- **AUTOMATIC INCREASE IN COVERAGE*** **Conditions #9**

With the Homeowner's Policy, the policy amount will automatically increase by ten percent of the original policy amount in each of the first five years. This benefit helps homeowners cover increases in the value of their property by raising the limit of insurance protection.

- **EXTENDED COVERAGE:**

Standard title insurance policies in this region contain four (4) exceptions:

1. Any discrepancies or conflicts in boundary lines, any shortages in area, or any encroachments or overlapping of improvements.
2. Any facts, rights, interests or claims which are not shown by the public record but which could be ascertained by an accurate survey of the land or by making inquiry of persons in possession thereof.
3. Easements, liens or encumbrances or claims thereof, which are not shown by the public record.
4. Any lien, or right to lien for services, labor or material imposed by law and not shown by the public record.

Extended title insurance policies (deleting the standard four (4) exceptions) can be issued upon receipt of: (a) a properly executed Owner's Affidavit and (b) a survey certified to FIDELITY NATIONAL TITLE INSURANCE COMPANY in accordance with the current ALTA/ACSM standards.

But, the Homeowner's Policy automatically offers extended coverage since there are no standard exceptions. And, no survey or loan inspection report is required for this extended coverage!

- **ENHANCED ACCESS*** **Covered Risks #11**

The Homeowner's Policy expands access coverage to include, for the first time, vehicular and pedestrian access to and from the Land, based upon a legal right. The access coverage traditionally provided by title insurance did not include access for vehicles and pedestrians.

*Please read the actual policy for details concerning coverage, exclusions and conditions.



Fidelity National Title[®] Insurance Company

- **RESTRICTIVE COVENANT COVERAGE*** **Covered Risks #12 and #13**
Conditions #6(b)(2)

1. The Homeowner's Policy protects the homeowner for violations of restrictive covenants occurring before the homeowner acquired the land if the homeowner is forced to correct or remove the violation, even if the covenant, condition or restriction is excepted in Schedule B.
2. The Homeowner's Policy protects the homeowner against loss of title because of an existing violation of any covenant, condition or restriction, even if the covenant, condition or restriction is excepted in Schedule B. If the homeowner is unable to use the land as a single-family residence because of an existing violation of any covenant, condition or restriction, until the violation is removed or remedied (or earlier, if the policy limits are paid):
 - a) Fidelity will reimburse the homeowner for the actual rent paid for a reasonably equivalent substitute residence; and
 - b) Fidelity will reimburse reasonable costs the homeowner pays to relocate any personal property removed from the Land, including transportation of that personal property for up to twenty-five (25) miles from the Land, and repair of any damage to that personal property because of the relocation.
3. The Homeowner's Policy also protects the homeowner who is unable to close a sale or obtain a loan because of a restrictive covenant violation.

- **SUBDIVISION COVERAGE*** **Covered Risks #14**

This coverage provides up to \$10,000 in coverage (after a deductible of one percent of the policy amount or \$2,500.00, whichever is less) if the homeowner:

1. is unable to obtain a building permit because the Land was improperly subdivided prior to the homeowner's purchase;
2. is forced to correct or remove an existing violation of a subdivision law or regulation; or
3. cannot close a sale or obtain a loan because the Land was improperly subdivided prior to the homeowner's purchase.

- **ZONING COVERAGE*** **Covered Risks #16 and #17**
Conditions #6(b)(2)

1. This coverage provides up to \$25,000 in coverage (after a deductible of one percent of the policy amount or \$5,000.00, whichever is less) if the homeowner is forced to remedy existing structures (or any part of them) because they violate an existing zoning law or zoning regulation. This zoning coverage extends even to boundary walls and fences.
2. This coverage will pay up to the full policy amount if the homeowner is forced to remove existing structures (or any part of them) because they violate an existing zoning law or zoning regulation.
3. The homeowner is also covered if unable to use the land as a single-family residence because of a violation of an existing zoning law or zoning regulation. Until the violation is removed or remedied (or earlier, if the policy limits are paid):
 - a) Fidelity will reimburse the homeowner for the actual rent paid for a reasonably equivalent substitute residence; and
 - b) Fidelity will reimburse reasonable costs the homeowner pays to relocate any personal property removed from the Land, including transportation of that personal property for up to twenty-five (25) miles from the Land, and repair of any damage to that personal property because of the relocation.

*Please read the actual policy for details concerning coverage, exclusions and conditions.



Fidelity National Title[®] Insurance Company

- **BUILDING PERMIT COVERAGE***

Covered Risks #15

This coverage provides up to \$25,000 in coverage (after a deductible of one percent of the policy amount or \$5,000.00, whichever is less) if the homeowner is forced to remove or correct an existing structure (excluding boundary walls and fences) that was built by a previous owner without obtaining a building permit from the proper government office or agency.

- **FORCED REMOVAL COVERAGES FOR CERTAIN ENCROACHMENTS***

Covered Risks #18 and #20

1. Encroachment onto Other Land-The Homeowner's Policy protects the homeowner if forced to remove existing structures (excluding boundary walls and fences) because they encroach onto adjoining land.
2. Encroachment onto an Easement-The Homeowner's Policy protects the homeowner if forced to remove existing structures because they encroach onto an easement, even if the easement is excepted in Schedule B.
3. Encroachment over a Building Set-Back Line-The Homeowner's Policy protects the homeowner if forced to remove existing structures because they encroach over a building set-back line, even if the building set-back is excepted in Schedule B.
4. Encroachment by Boundary Walls and Fences-The Homeowner's Policy protects the homeowner if forced to remove a pre-existing boundary wall or fence because it encroaches onto a neighbor's land. This new coverage provides up to \$5,000 in coverage (after a deductible of one percent of the policy amount or \$2,500.00, whichever is less).

- **CERTAIN POST POLICY COVERAGES***

1. Post Policy Forgery (Covered Risks #3)-The Homeowner's Policy provides protection against forgeries which may occur in the future and cloud the homeowner's title. This post-policy coverage is completely new and was never before available from any title insurer.
2. Post Policy Encroachment (Covered Risks #25)-The Homeowner's Policy protects homeowners if, after the homeowner's purchase, a neighbor builds a structure (excluding boundary walls and fences) which encroaches onto the insured Land. No other title policy ever has covered this situation.
3. Post Policy Damage from minerals or water extraction (Covered Risks #22)-The Homeowner's Policy protects homeowners whose structures, including those structures built post-policy to modify or replace existing structures, are damaged by others using the surface of the land in the course of extracting minerals.
4. Post Policy Living Trust Coverage (Conditions #2, b (3) and b (4))-The Homeowner's Policy protection extends to the trustees and beneficiaries of a living trust that receives a deed from the homeowner after the policy date.

- **SUPPLEMENTAL TAX COVERAGE***

Covered Risks #24

The Homeowner's Policy protects homeowners if a taxing authority assesses supplemental real estate taxes not previously assessed against the Land for any period before the date of the policy because of construction or a change of ownership or use that occurred before the date of the policy.

*Please read the actual policy for details concerning coverage, exclusions and conditions.