



Title Insurance for Home Owners

Home owners are exposed to many risks which may cause financial loss or affect the ownership to the property.

Title Insurance is a specialised type of insurance which provides protection to home owners against unknown and hidden risks that may cause you loss or affect your ownership.

Covered Risks

Cover is provided for a broad range of risks, including*:

Fraud, Forgery & Identity Theft: loss due to fraud, forgery or identity theft which results in you being deprived of your ownership of the land.

Illegal Building Work: illegal structures which have been built without the required Council permits or which do not comply with those permits of which you are unaware at the time of purchasing the property. For rural properties this cover only applies to the primary residence which includes a swimming pool and not to other structures on the property.

Survey/Boundary Defects: any adverse matters that would have been revealed in an up-to-date survey report (excluding boundary walls and fences).

Planning & Title Defects: loss due to non compliance with zoning and development laws, unregistered

easements & covenants, lack of legal access, defects in title to the land of which you are unaware at the time of purchasing the property.

Outstanding Rates and Taxes: outstanding rates and taxes on the property for which you are now liable as the current owner of the property.

**Like all insurance policies a Residential Existing Owner Policy excludes certain risks from cover. For full details on cover and exclusions from cover, refer to a sample policy available on our website or upon request.*

You have a duty under the Insurance Contracts Act 1984 to disclose all known matters to Stewart Title Limited which are relevant to our decision to accept the risk of insurance. Our application forms have provisions for disclosure of known risks and defects. Order forms can be obtained from your conveyancer or solicitor or can be found on our website.

A Different Kind of Insurance

One time premium provides protection forever (premiums start at \$249 exclusive of GST & Stamp Duty)

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

About Stewart Title

Stewart Title 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 offers its products and services worldwide in more than 80 international markets.

For more information visit our website: www.stewartau.com

Risk Management Solutions for Property Transactions

Claims Scenarios

Identity Theft and Fraud

Theft of your home can occur, not in the physical sense but in the legal sense. In fact, identity fraud is on the rise with the cost in Australia estimated by the Commonwealth Attorney-General's Department to be in excess of \$4 billion per annum (according to the Australasian Centre for Policing Research). It occurs in a number of ways and has only been made easier with advances in technology.

Here's how it works. A fraudster or identity thief may take on your identity to impersonate you and 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.

A real life case

The Dominicks owned a home and were the victims of a fraud committed by Mr. Dominick's brother. The brother stole the identity of Mr. Dominick and obtained a \$120,000 mortgage over their home. When the mortgage went into default, the lender, Cass Comm, contacted the Dominicks for payment. It was then that the Dominicks discovered what had happened and as a result, they refused to make payment on the grounds that they didn't sign the mortgage and they didn't receive any money.

Although the brother was sent to jail for the forgery, Cass Comm sued the Dominicks and the Court held that the mortgage was valid and Cass Comm was allowed to take possession of the home to recover their debt. As long as the lender is not involved in the fraud and the mortgage is properly drafted and registered, our legal system protects the lender rather than the true owner of the property.

What would Stewart Title Cover?

The Stewart Title Existing Owner Policy compensates home owners for losses resulting from fraudulent mortgages registered against their title. Under the coverage provided by a Stewart policy, the Dominicks' ownership in their property would have been protected and the costs associated with removing the Cass Comm mortgage from their title would have been covered by us.

The Threat of Encroaching Structures

During the course of your ownership, you are at risk of a neighbour building a structure which encroaches onto your land. This may occur where the boundary lines are not well defined or incorrectly defined and you did not conduct a survey of the land at the time you purchased.

Stewart Title's Coverage

An encroaching neighbouring structure may affect the use or resale value of the property. Where loss is suffered due to these reasons, Stewart Title will provide coverage. We would negotiate with your neighbour to set the boundary lines of the property to their correct position or compensate you for the value of that part of the land that the neighbour has taken.

Illegal Building Work

Do you intend to renovate your property? Another risk that home owners face is the risk of a pre-existing structure on the property which is illegal because it was not approved by Council or does not comply with existing council approvals.

When an application is sent to Council for an approval to conduct renovation work, Council will conduct an inspection of the property to approve the application. At this point in time, the home owner is at risk of a demolition order being issued by Council if it is discovered that an existing structure was built by a previous owner of the property without Council approval. Unless the previous owners disclosed the absence of a building license to you at the time of purchase, you may be unaware that part of your property has actually been constructed illegally.

How Stewart Title can help

With a Stewart Title policy in place before submitting your building license application, you will have the peace of mind that should Council issue an order with respect to illegal building works completed prior to your ownership, you will be protected. Stewart Title would cover the cost of rectifying the problem. If that includes demolishing the illegal structure, you would be compensated for any loss in the value of the property.

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. AU1010

GPO Box 527
Sydney NSW 2001

P 1800 300 440
F 1300 663 424

www.stewartau.com