



ALL-VIRGINIA
Title & Escrow, Inc.

Why You Need Owner's Title Insurance

The place where you live is also one of your most valuable possessions. But did you know that ownership of your home could be threatened – or taken away from you – even if you've paid for the property and received a deed?

When that dream is finally realized, why wouldn't you take every precaution to protect it?



What Is Title Insurance?

Owner's title insurance is meant to protect your ownership interest in your home. Subject to the terms of your policy, owner's title insurance protects you against losses incurred due to any title defects that existed prior to the purchase of your home.

Your owner's title policy offers insurance protection for as long as you own your home.

To the extent of the matters covered in the policy, an owner's title insurance policy will protect you in the event a legal challenge is made to the ownership of your home.

How Title Insurance Works

As property changes hands, mistakes and irregularities – often made long before you expressed interest in the property – can place your ownership in dispute. The seller may have...

...Avoided disclosure of using the property as collateral for an unpaid loan.

...Fraudulently claimed to be the sole owner.

...Failed to pay real estate taxes.

Even a simple mistake in the recording of legal documents, improper execution of legal instruments or the reappearance of undisclosed or missing heirs could result in the loss of your home.

ALTA Homeowner's Policy

COMPARE THE ADVANTAGES

There are generally 2 types of title policies that are issued to insure ownership of your home. The information below will help you understand the coverage variations. The American Land Title Association (ALTA) Homeowner's Policy has the most coverage available, but not all policy types may be available in each state. Discuss your selection with your local title provider.



		ALTA Standard Owners	ALTA Home-owners
1	Someone else owns an interest in your title	√	√
2	Someone else has rights affecting your title because of recorded leases, contracts, or options	√	√
	Someone else has rights or claims based upon possession under an unrecorded lease or month-to-month tenancy		√
3	Someone claims to have rights affecting your title because of forgery or impersonation	√	√
4	Someone else has a recorded easement on the land	√	√
	Someone else has an unrecorded easement on the land		√
5	Someone else has a right to limit your use of the land	*	√
6	Your title is defective. Some examples of these defects are:	√	√
	Someone else's failure to have authorized a transfer or conveyance of your title	√	√
	A defective judicial or administrative proceeding	√	√
	A document (including an electronic document) on which your title is based	√	√
	was signed using a falsified, expired, or otherwise invalid power of attorney	√	√
	was not properly authorized, executed, created, signed, witnessed, sealed, acknowledged, notarized (including by remote online notarization), or delivered	√	√
	was not properly filed, recorded, or indexed in the Public Records	√	√
	The repudiation of an electronic signature by a person that executed a document because the electronic signature on the document was not valid under applicable electronic transactions law	√	√
7	Any of Covered Risks 1 through 4 occurring after the policy date.		√
8	Someone else has a lien on your title including a:		
	Lien of real estate taxes or assessments imposed on your title by a governmental authority that are due or payable, but unpaid;	√	√
	Mortgage;	*	√
	Judgment, state or federal tax lien;	*	√
	Charge by homeowner's or condominium association assessed prior to policy date; or	*	√
	Statutory Lien, attaching before or after the policy date, for service, labor, material, or equipment furnished in connection with an improvement or work related to the Land and furnished before the policy date	*	√
9	Someone else has an encumbrance on your title	*	√
10	Someone else claims to have rights affecting your title because of fraud, duress, incompetency, or incapacity	**	√
11	You do not have actual vehicular and pedestrian access to and from the land, based upon a legal right	**	√
12	You are forced to remove or remedy a violation existing at the policy date of any covenant, condition or restriction affecting the land, even if it is excepted in Schedule B		√***

		ALTA Standard Owners	ALTA Home- owners
13	Your title is lost because of a violation existing at the policy date of a covenant, condition or restriction, even if it is excepted in Schedule B		√
14	The violation or enforcement of any law, ordinance, permit or government regulation (including those relating to building and zoning), but only to the extent of the violation or enforcement described in a notice recorded in the Public Records, that identifies a restriction, regulation, or prohibition relating to: the occupancy, use, or enjoyment of the land; the character, dimensions, or location of an improvement on the land; the subdivision of the land; or Environmental remediation or protection on the land	√ √ √ √	**** √ √ √ √
15	An enforcement of a governmental forfeiture, police, regulatory, or national security power, but only to the extent of the enforcement described in a notice recorded in the Public Records	√	√****
16	Because of a violation existing at the policy date of a State or Municipal subdivision law or State or Municipal subdivision regulation affecting the land: You are unable to obtain a building permit from a Municipal authority; You are ordered by a State or Municipal authority to remove or remedy the violation; or Someone else refuses to perform a contract to purchase the land, lease it or make a mortgage loan on it based on that violation		**** √ √ √
17	You lose your title because of the right to take the land by condemning it, if: There is a notice of the exercise of the right recorded in the Public Records and the notice describes any part of the land; or The taking happened before the policy date and is binding on you if you bought the land without knowing of the taking	√ **	√ √
18	You are ordered by a State or Municipal authority to remove or remedy your existing structures – other than boundary walls or fences – because any portion was built without obtaining a building permit from the proper Municipal authority		√****
19	You are ordered by a State or Municipal authority to remove or remedy your existing structures, because they violate an existing State or Municipal zoning law or zoning regulation		√****
20	You are not able to use the land because use as a single-family residence violates an existing State or Municipal zoning law or zoning regulation		√
21	You are forced to remove your existing structures because they encroach onto your neighbor's land		√****
22	Someone else exercises a legal right refusing to perform a contract to purchase the land, lease it or make a mortgage loan on it, because your neighbor's existing structures encroach onto the land		√
23	You are forced to remove your existing structures, which encroach onto an easement or over a building set-back line, even if the easement or building set-back line is excepted in Schedule B		√
24	Your existing structures are damaged because of the exercise of the right to maintain or use any easement affecting the land, even if the easement is excepted in Schedule B		√
25	Your existing improvements, are damaged because of the future exercise of a right to use the surface of the land for the extraction or development of oil, gas, minerals, groundwater or any other subsurface substance, even if those rights are excepted or reserved from the description of the land or excepted in Schedule B		√
26	Someone else tries to enforce a discriminatory covenant, condition or restriction that they claim affects your title which is based upon race, color, religion, sex, handicap, familial status, or national origin	√	√
27	A State or Municipal taxing authority assesses supplemental real estate taxes not previously assessed against the land for any period before the policy date because of construction or a change of ownership or use that occurred before the policy date	**	√
28	Your neighbor builds any structures after the policy date – other than boundary walls or fences – which encroach onto the land		√
29	Your title is unmarketable, which allows someone else to refuse to perform a contract to purchase the land, lease it or make a mortgage loan on it	√	√
30	Someone else owns an interest in your title because a court order invalidates a prior transfer of the title under federal bankruptcy, state insolvency, or similar state or federal creditors' rights law	**	√
31	The residence with the address shown in Schedule A is not located on the land at the policy date		√
32	The map, if any, attached to the policy does not show the correct location of the land according to the Public Records		√
33	Your coverage continues in full force and effect after you convey title to into Living Trust	√	√
34	Your coverage continues in full force and effect after you convey title to your wholly owned corporation, partnership, or LLC	√	

For use in the following states: AL, AK, AR, CT, D.C., DE, GA, ID, IN, KS, KY, LA, MA, ME, MD, MS, MO, NE, NH, NC, OH, RI, SC, TN, UT, VT, VA, WI and WY.

* The ALTA standard coverage Owner's Policy only provides coverage in these risk areas against recorded documents, and not for all risks.

** The policy only provides coverage here in certain limited circumstances, and not as broadly covered as the Homeowner's Policy.

*** This coverage does not extend to any violation that relates to (a) any obligation to perform maintenance or repair on the land; or (b) environmental protection of any kind, including hazardous or toxic conditions or substances, unless there is a notice recorded in the Public Records, describing any part of the land, claiming a violation exists. Our liability for this coverage is limited to the extent of the violation stated in that notice.

**** Our liability for this coverage is limited as stated in the Policy, which may be less than your actual loss or the Policy Amount.

Because of the nature of and location of certain properties, an inspection of the property may be necessary to determine if additional exceptions from coverage need to be shown in Schedule B of the ALTA Residential Policy or ALTA Homeowner's Policy, which will be noted in the preliminary report. The foregoing chart is intended to highlight only some important aspects of coverage and is not to be construed as expanding or limiting the coverage as set forth in the before mentioned policies. Copies of these policies are available upon request. Decisions on coverage should be made only after a complete review of all of the language of the policies themselves.