



# Title Insurance for Home Owners

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

## Cover is Provided for a Broad Range of Risks\*

### *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*

Enforcement action by a Local Authority in relation to 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 including sheds, carports and garages used for residential purposes, and any 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.

### *Planning & Title Defects*

Loss due to non-compliance with existing planning and zoning laws, unregistered easements and covenants, access orders, access rights or a right of way, lack of legal access or defects in title to the land of which you are unaware at the time of purchasing the property.

### *Marketability Cover*

A unique feature of title insurance is 'marketability' cover. Cover is provided to you in the event that the property becomes unmarketable because a buyer becomes entitled to refuse to complete the contract as a result of a risk that is covered under the policy. This protection helps to ensure that a transaction proceeds which might otherwise have fallen through. We may rectify the defect or you may be compensated where there is a reduction in the sale price or you re-sell the property to another purchaser at a lower price.

## A Different Kind of Insurance

- ▶ One-time premium provides protection forever (premium schedules are available on [stewartau.com](http://stewartau.com))
- ▶ No excess payable on claims
- ▶ No-fault claims process means you do not have to prove fault or negligence - you need only prove that you have suffered actual loss based on cover that the policy provides

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## 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.

## 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.

## Additional Consumer Resources

To ensure that our customers understand the coverage they are receiving, Stewart Title provides a number of resources including Sample Policies, Policy Consumer Guides and Key Facts Sheets. These resources were designed to assist you with understanding policy coverage, as well as the exclusions, provisions, conditions or limits that may apply. Our consumer resource library, along with our videos and claims stories, can be found on our website.

**Contact us for more information.**

### **Stewart Title Limited**

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\*Please note that coverage under the policy for unapproved building work is capped at \$160,000 and coverage for boundary and survey risks will not apply to land where the land area size exceeds 50 acres.

Loss or damage arising from non-compliant external cladding is excluded from cover for all Residential Strata Policies and Commercial Purchaser Policies issued for strata title properties.

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.

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