



# Title Insurance for Home Buyers of Strata Properties

When buying a property there are many inherent risks which may cause you loss or affect your ownership. Title insurance is a specialised type of insurance that provides home buyers of residential strata properties with protection against certain unknown and hidden risks which may exist at the time of purchase.

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

### *Unapproved Alterations*

Enforcement action by a Local Authority or Body Corporate in relation to alterations which have been made to the Strata Unit without the required Council and/or Body Corporate approvals of which you are unaware at the time of purchasing the Strata Unit.

### *Registration Gap*

Someone else lodges a dealing which prevents your interest from being registered or recorded.

### *Fraud, Forgery & Identity Theft*

Loss due to fraud, forgery or identity theft which results in you being deprived of your ownership of the Strata Unit.

### *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 Strata Unit of which you are unaware at the time of purchasing the property.

### *Outstanding Rates, Taxes & Strata Levies*

Outstanding rates, taxes and strata levies (including special levies) on the property which you are now liable for as the current owner of the Strata Unit.

## 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
- ▶ 200% 'inflation' allowance for increases in the value of the property over time

Read More 

## Known Risk Coverage

If you discover a defect or risk during the conveyancing transaction, please contact us as we may be able to provide cover over a known defect or risk for no additional premium.

## Claims Scenarios

### *Unapproved Alterations*

You purchase a strata unit. Following settlement, you discover that the previous owners carried out renovations to the bathroom and kitchen which involved modifications to the 'common property' walls without obtaining the approval of the Body Corporate or Council. This was not disclosed by the vendor when you purchased the property.

You are ordered to reinstate the common property walls and pay any damages or costs incurred by the Body Corporate, even though you were not responsible for the unapproved works.

In this scenario, Stewart Title would pay for the costs associated with complying with the order, including any loss in market value of the property.

### *Special Levies*

Prior to settlement of your purchase, the Body Corporate strikes a special levy of \$5,000 for each lot owner to carry out major works to the strata building. This special levy is not disclosed to you prior to settlement.

After settlement, you become liable to pay the \$5,000 special levy even though it was not disclosed to you when you purchased the property.

In this scenario, Stewart Title would compensate you for the \$5,000 special levy for which you are now liable.

## Registration Gap

After settlement, but before your title documents are registered at the land title registry, somebody else lodges a caveat or writ on the title and claims an interest in your Strata Unit.

Your interest in the Strata Unit is unable to be registered until the caveat or writ is removed. You face significant legal costs and a potential dispute with the third parties who lodged the caveat or writ.

In this scenario, Stewart Title would defend your title, including paying all legal costs and expenses associated with the commencement of legal proceedings necessary to rectify the title and obtain registration of your interest at the land title registry.

## Solicitor's or Conveyancer's Advice Combined With Title Insurance

Title insurance does not replace the role of a conveyancer or solicitor. The combination of title insurance with your conveyancer's or solicitor's professional advice will provide the most comprehensive protection against risks which may affect your legal ownership of your home.

## 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.

If you already own your home, you can obtain the protection that title insurance provides by applying for a Residential Strata Existing Owner Policy.

**Contact us for more information.**

### **Stewart Title Limited**

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[stewartau.com](http://stewartau.com)

\*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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