

C A T I C[®]

NOTICE OF AVAILABILITY OF OWNER TITLE INSURANCE

Date:

To:

Buying property identified as:

If a Mortgagee Policy of title insurance insuring the title to the property you are buying is being issued to your mortgage lender, *that policy does not provide title insurance coverage to you.*

You may obtain an Owner Policy of title insurance which provides title insurance coverage to you. The *additional cost* to you for an Owner Policy depends upon whether you purchase a standard policy or an expanded protection policy. If you request Owner coverage at this time, the additional cost for the standard Owner Policy of title insurance in the amount of \$_____ is \$_____; the additional cost for an Expanded Protection Owner Policy of title insurance in the same amount is \$_____.

If you are uncertain as to whether you should obtain an Owner Policy of title insurance or whether you should obtain a standard Owner or an Expanded Protection Owner Policy, you are encouraged to seek independent advice.

CATIC

BY _____
(Signature of Attorney Issuing Notice)

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- I/We do *not* request either a standard Owner Policy or an Expanded Protection Owner Policy of title insurance.
 - I/We request an Expanded Protection Owner Policy of title insurance.
 - I/We request a standard Owner Policy of title insurance.

In certain cases, survey coverage may be available on an Expanded Protection Owner Policy without the need to obtain a survey. If you are interested in this coverage, please consult with your attorney.

Date:

Buyer: _____

Buyer: _____

INFORMATION CONCERNING OWNER TITLE INSURANCE

What is title insurance?

Title means the sum of all the facts on which ownership of property is founded or proved. Title insurance provides protection against financial loss which could result from defects in the title to real property, or from errors made in searching that title. Title insurance is not fire or casualty insurance.

Who can be insured?

You, as an owner of real property, can purchase insurance, which protects you from financial loss caused by circumstances which adversely affect or restrict the title to your property. The type of policy which protects you the owner is simply called the Owner Policy.

How expensive is the Owner Policy?

The cost for an Owner Policy is shown on the first page of this form. Please note that title insurance premiums are paid only once when the policy is issued.

What types of risks are covered by the Owner Policy?

Before any of our title insurance policies can be issued, there must be a careful examination of the title to your property. If that examination discloses any defects, these matters must be either eliminated or otherwise resolved to the satisfaction of the Company before a policy can be issued. Even after carefully searching the title and reviewing the closing documents, however, some risks still remain. Examples of these remaining risks, which can be covered by the standard Owner Policy are:

- lost or forged deeds
- undisclosed heirs
- transfers by incapable persons
- incorrectly indexed deeds or liens
- no right of access to your property

Your Owner Policy can protect you from all of these "hidden" risks. In addition, your policy covers all legal expenses incurred in defending a claim against your title, even if that claim has no merit.

For residential property containing a one-to-four family dwelling, and for an additional 10% of the title premium

for a standard Owner Policy, you may obtain an Expanded Protection Owner Policy which can provide additional coverage beyond that provided in the standard Owner Policy, including:

- coverage against loss due to forced removal of the existing residence because the residence:
 - encroaches onto your neighbor's land
 - encroaches into an easement
 - violates an existing zoning law.
- coverage if you lose your property because of a violation of any covenant or restriction that occurred before you acquired the property.
- coverage against loss due to forced removal of the existing residence because any portion of it was built without a building permit.
- coverage against loss caused by the refusal of a buyer to purchase, or the refusal of a lender to make a loan, or inability to obtain a building permit for remodeling, because of a violation of existing subdivision law.
- coverage against loss resulting from future encroachments onto your property (other than boundary walls or fences).
- coverage against loss by reason of future forgery of an instrument by which someone else claims to own your land or have a mortgage or some other lien on it.

On Expanded Protection Owner Policies only

- survey coverage (coverage against loss resulting from adverse title matters that would have been disclosed by an accurate survey) may, in certain cases, be available without the need to obtain a survey.

You are urged to independently review both forms of Owner Policy coverage to decide whether you would like to purchase owner coverage, and, if so, which type of Owner Policy you would prefer. If you have not already done so, you should consult with an attorney of your choice to help you make the decision.

After reviewing these title insurance options, please indicate your choice on the first page of this form.