

About Stewart Title

stewart
title guaranty company

Technology · Solutions · Strength · Protection
Title Insurance
Experience · Service

Stewart Title Guaranty Company stands proudly as one of the largest title insurers in the world. With more than a century of experience protecting homeowners and lenders, Stewart Title has become a leader in the international land title and real estate information industry.

Stewart Title is renowned for its comprehensive protection and exceptional claims paying ability. Since our founding in 1893, we have maintained strong, steady growth. In 2007, we generated revenue in excess of \$2 billion (USD). We are the only title insurer to have 33 years of consecutive growth in reserves and policy holder surplus. In recognition of our reliable performance, Stewart Title has been included in recent lists of *FORTUNE* magazine's "Most Admired Companies" and *FORTUNE* 1000.

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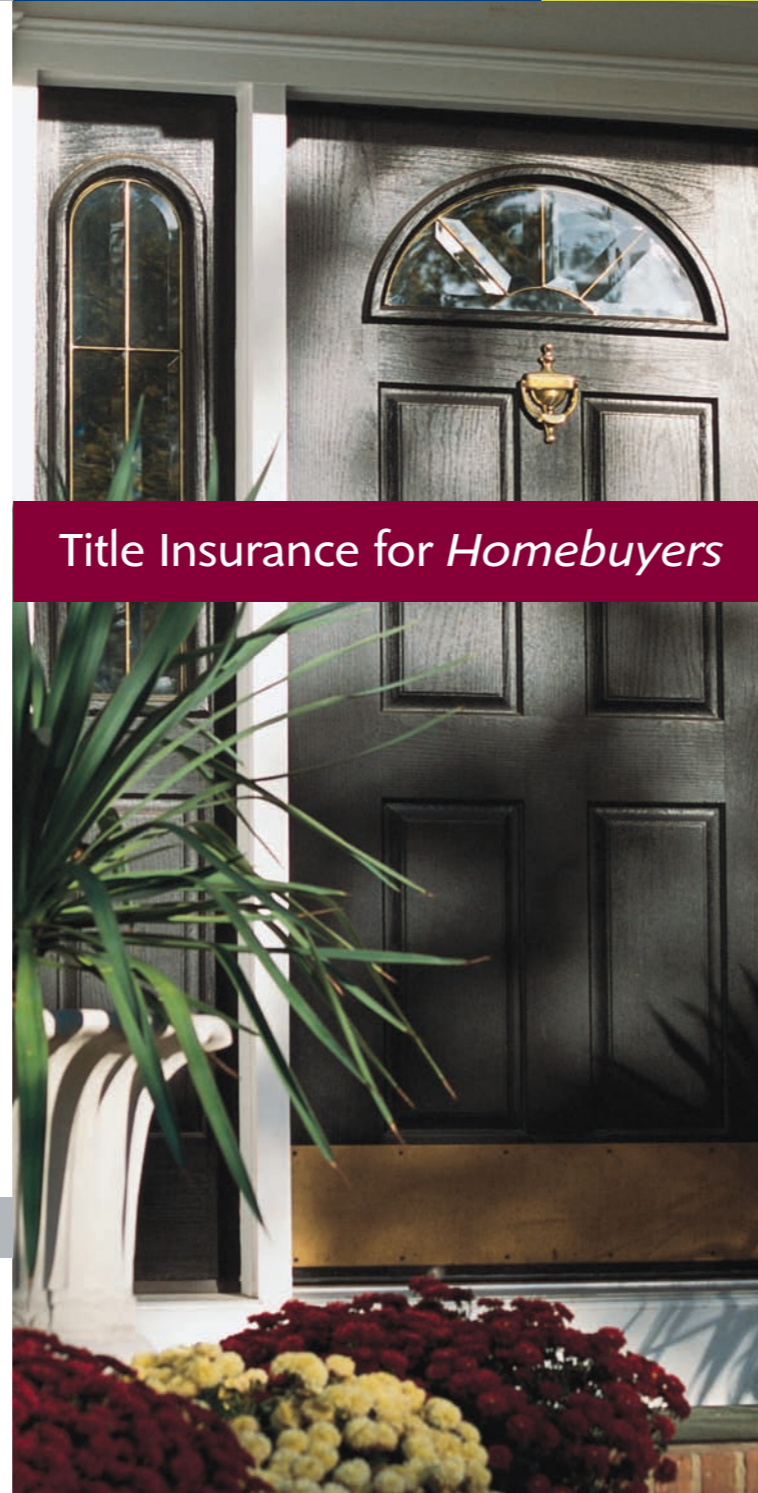
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* When the matter for which coverage is being sought is determined to be a covered title risk resulting in actual loss or damage to the insured.

This brochure is intended to provide information that is of a general nature. Please refer to the policy for full coverage details. Sample policies are available upon request. © COPYRIGHT (10/2008) STEWART TITLE GUARANTY COMPANY. ALL RIGHTS RESERVED.

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Title Insurance for Homebuyers

A DIFFERENT KIND OF INSURANCE

Title insurance is a unique form of insurance. For as long as you own your home, your policy protects your ownership interest (i.e. your title) to your property against losses incurred as a result of title defects or other covered matters that exist at the time of your purchase but are unknown to you at that time. Additionally, the coverage for many forms of title fraud extends to title fraud that first occurs after you purchase your home.

For a one-time fee, some of the covered title risks for residential properties include:

- someone else owns an interest in your title
- existing liens against the title
- violations of municipal zoning by-laws
- encroachments onto an adjoining property (other than fences and boundary walls)
- setback violations
- realty tax arrears
- outstanding municipal utility charges, provided such charges form a lien on title
- existing work orders
- lack of legal access to the property
- unmarketability of the land due to adverse matters that would have been revealed by an up-to-date survey / RPR/ Building Location Certificate
- fraud, forgery and false impersonation to the extent they affect the validity of title

Policies can be issued for:

- Residential dwellings of up to six units
- Vacant land
- Cottages
- Condominiums
- Cooperatives
- Leased land
- Current homeowners who did not obtain title insurance coverage at the time they purchased their property

If you own a business, you can also speak to your lawyer / notary about purchasing title insurance for your commercial property.

FRAUD COVERAGE

The policy also protects you against losses arising from many forms of real estate title fraud. When someone commits fraud, they could re-mortgage your property and obtain the funds by impersonating you or they could forge your signature in order to transfer title out of your name and into theirs. Frauds such as these are not uncommon. In fact, they are on the rise.

When a real estate title fraud occurs, without title insurance, a homeowner could pay thousands of dollars in legal expenses to defend his or her title. With the protection of a title insurance policy, however, you are not liable for costs associated with defending your title, Stewart Title is.*

TITLE INSURANCE PREMIUMS

Title insurance is available for a low premium that is **paid only once** at the time of closing, and coverage is valid for the entire time you own your home.

There are two types of policies issued:

- **The Residential Gold Owner Policy** to protect your title to the property; and
- **The Residential Gold Loan Policy** to protect the priority and enforceability of the mortgage for the lender.

The cost of the premium is often offset by the savings from the reduction in the number of searches your lawyer / notary might have to complete. Additionally, a title insurance policy can be obtained to satisfy lender survey / Real Property Report (RPR) / Building Location Certificate requirements, thereby saving you the cost (between \$500 and \$1,200) of an up-to-date property survey / RPR / Building Location Certificate.



LAWYERS/NOTARIES ARE STILL AN INTEGRAL PART OF THE TRANSACTION

Title insurance does not replace the need to retain a lawyer/notary. Lawyers / notaries provide valuable independent legal advice on a variety of legal issues and prepare and register your deed/ transfer and mortgage. Your lawyer/notary is the conduit between you, your lender, and your title insurer. In fact, title insurers rely on the legal opinion they receive from your lawyer/notary in order to issue a policy.

The coverage provided in a title insurance policy is broader than that found within a lawyer's/notary's opinion on title and provides post closing coverage for many forms of title fraud and for certain encroachments that are beyond the scope of a legal opinion. Title insurance coverage is not contingent on the validity of information in the public records. Additionally, coverage is provided on a "no fault" basis, whereas with a lawyer's / notary's opinion, any claim against the lawyer/notary must be based on the lawyer/notary having been negligent.

Your lawyer / notary and his or her staff will work with us to obtain a title insurance policy on your behalf.



WHAT IS NOT COVERED

In addition to understanding what is covered in your title insurance policy, it is important to note that the policy also contains standard exclusions and exceptions from coverage. These include:

- Title or other defects created, allowed, or agreed to by you
- Title or other defects that are known to you, but not Stewart Title, prior to the policy date
- Environmental matters
- Native land claims
- Matters that result in no loss to you
- Matters disclosed in home inspection or building inspection reports obtained by you

Based on the searches performed by your lawyer / notary there may be property specific exceptions added to your policy. Please review your policy or ask your lawyer/notary if there are such exceptions to your policy.

MAKING A CLAIM

If you do need to make a claim inquiry, there is no deductible. To make a claim inquiry, you need only provide evidence in writing that you have suffered losses as a result of a defect covered by the policy. One of our claims associates will then determine if your claim is covered by the policy

TITLE INSURANCE TIPS

Please consider the following tips when purchasing title insurance:

- Ask your lawyer / notary or title insurer questions if you do not understand what title-related losses are covered by your policy and what your policy does not cover
- Your amount of insurance should be the amount you paid for your property (except for existing homeowner policies where the amount of insurance will be the fair market value at the time the policy is obtained)
- Your policy's effective date will be the same as your property's closing/deed registration date (for policies obtained at the time of purchase)
- Carefully review your policy to ensure that it correctly describes all of the property you purchased
- In the event you have a potential claim, contact Stewart Title as soon as possible

and will communicate to you the proposed method to resolve your claim.

REAL-LIFE STORIES FROM OUR FILES

Here just a few real-life stories where title insurance provided protection:

- ▶ Our insured homeowner was contacted by an investigator who worked for a major financial institution. The investigator informed our insured that a fraudster had assumed his identity and transferred the title of his property to another individual's name. The fraudster then assumed the identity of this other individual (the name that now held the title to our insured's property) to obtain a second mortgage and retain the funds.

Stewart Title retained counsel to restore the title to its rightful owner.

- ▶ After new condominium owners (our insureds) moved in, they were informed that they were responsible for paying a special assessment on their condominium unit. This special assessment did not appear on the Status Certificate, as it was levied by the condominium board after our insureds had signed their Agreement, but before their closing date.

The unexpected levy was covered by title insurance.

ALSO AVAILABLE: TITLE INSURANCE FOR EXISTING HOMEOWNERS

If you already own a home, you too can purchase the protection that a title insurance policy provides. The policy can be purchased through your lawyer / notary for a one-time premium. You receive similar coverage found within our Residential Gold Owner Policy, which is modified by an "existing owner" endorsement. The Policy Date is the date of registration of the deed / transfer under which you took title.

Most significantly, the existing homeowner policy provides peace of mind against loss resulting from rising cases of real estate title fraud.

- ▶ Our insured homeowners purchased a renovated property but found several issues with some of the renovations that were completed. After conducting a search, they discovered the previous owners had obtained the proper building permits, but a final inspection had not been completed and there were serious issues that remained outstanding.

Title insurance covered the costs of remedying the issues and closing the outstanding building permit

Stewart Title has thousands of claimants who are grateful they purchased the protection of a title insurance policy. For a small one-time premium, they obtained peace of mind and avoided paying thousands of dollars to correct title defects.

**Protect your investment.
Contact your lawyer / notary to obtain title insurance from Stewart Title on your behalf.**