



## ALTA Title Policy Coverage

October 19, 2016

### ***Presented by:***

- **Gregory J. Miely**  
*Senior Underwriting Manager*  
Attorneys' Title Guaranty Fund, Inc.
- **Kathy Xiahou**  
*Underwriting Attorney*  
Attorneys' Title Guaranty Fund, Inc.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago

**Audio problems?**  
Listen by phone: 877.691.9300  
Access Code: 7521231#

## Reasons to Change from the 1992 Policy

- Modernize with less legalese.
- Make the Insured better aware of the coverages and value of title insurance.
- Extend some coverages to give the consumer and lender broader coverage.
- Overcome some erroneous court interpretations of policy coverage and non-coverage.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago

**Audio problems?**  
Listen by phone: 877.691.9300  
Access Code: 7521231#



## Nature of Title Insurance

- Risk avoidance rather than risk spreading.
- Covers what happened in the past (retrospective).
- One-time premium.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Commitment for Title Insurance



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Commitment for Title Insurance

- **The commitment serves two basic functions:**
  - Firstly, a commitment obligates the insurer to issue a final policy upon closing of the transaction.
  - Secondly, a commitment discloses to the buyer or lender the conditions and exceptions under which the title insurer is willing to insure title.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Commitment for Title Insurance

- **The commitment has four components. They include:**
  - The Promise to Insure;
  - Conditions of Insurance;
  - Schedule A; and
  - Schedule B, which includes Sections I and II.
- **The following will discuss each component.**



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Commitment for Title Insurance

### ■ Promise to Insure

- The commitment jacket sets forth the promise to insure:
  - *Attorneys' Title Guaranty Fund, Inc., an Illinois corporation ("ATG®"), for a valuable consideration, commits to issue its policy or policies of title insurance, as identified in Schedule A, in favor of the Proposed Insured named in Schedule A, as owner or mortgagee of the estate or interest in the land described or referred to in Schedule A, upon payment of the premiums and charges and compliance with the Requirements; all subject to the provisions of Schedules A and B and to the Conditions of this Commitment.*
    - For consideration, the title company promises to insure a mortgage or title regarding certain real estate shown on Schedule A. The insurance shall be issued to the Proposed Insured as shown on Schedule A, in the form of a specific policy. The promise is made only to the Proposed Insured and not to the seller or any third party who have no rights under the commitment and final policies.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Commitment for Title Insurance

### ■ Promise to Insure

- The commitment jacket sets forth the promise to insure:
  - *This Commitment shall be effective only when the identity of the Proposed Insured and the Amount of the policy or policies committed for have been inserted in Schedule A by ATG.*
    - Only the title company or its agent may insert the name of the Proposed Insured and the Amount of Insurance. Before these items can be inserted, the title company or its agent must perform a judgment and lien search on the Proposed Insured and raise the necessary underwriting requirements.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Commitment for Title Insurance

### ■ Promise to Insure

- The commitment jacket sets forth the promise to insure:
  - *All liability and obligation under this Commitment shall cease and terminate six months after the Effective Date or when the policy or policies committed for shall issue, whichever first occurs, provided that the failure to issue the policy or policies is not the fault of ATG.*



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Commitment for Title Insurance

### ■ Promise to Insure

- The commitment is valid for six months from the effective date stated on Schedule A.
  - *ATG will provide a sample of the policy form upon request.*

*This Commitment shall become effective and binding when Schedule A and Schedule B and any endorsements are signed by a title insurance agent or other authorized signatory of ATG.*



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Commitment for Title Insurance

### ■ Conditions

- The commitment contains several conditions to the promise to insure:
  - *If the proposed Insured has or acquired actual knowledge of any defect, lien, encumbrance, adverse claim or other matter affecting the estate or interest or mortgage thereon covered by this Commitment other than those shown in Schedule B hereof, and shall fail to disclose such knowledge to ATG in writing, ATG shall be relieved from liability for any loss or damage resulting from any act of reliance hereon to the extent ATG is prejudiced by failure to so disclose such knowledge. If the proposed Insured shall disclose such knowledge to ATG, or if ATG otherwise acquires actual knowledge of any such defect, lien, encumbrance, adverse claim or other matter, ATG at its option may amend Schedule B of this Commitment accordingly, but such amendment shall not relieve ATG from liability previously incurred pursuant to paragraph 3 of these Conditions.*



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago

## Commitment for Title Insurance

### ■ Conditions

- The commitment contains several conditions to the promise to insure:
  - *If the proposed Insured has or acquired actual knowledge of any defect, lien, encumbrance, adverse claim or other matter affecting the estate or interest or mortgage thereon ...*
    - The Proposed Insured has a duty to disclose matters affecting title whether or not of record. The failure to disclose shall relieve the title company from any liability for any loss or damages resulting from the failure to disclose.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago

## Commitment for Title Insurance

### ■ Conditions

- The commitment contains several conditions to the promise to insure:
  - *If the proposed Insured shall disclose such knowledge to ATG, or if ATG otherwise acquires actual knowledge of any such defect, lien, encumbrance, adverse claim or other matter, ATG at its option may amend Schedule B of this Commitment accordingly, but such amendment shall not relieve ATG from liability previously incurred pursuant to paragraph 3 of these Conditions.*
  - ATG may amend the commitment to include additional requirements or exceptions provided that the proposed insureds are not prejudiced under the next paragraph.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Commitment for Title Insurance

### ■ Conditions

- The commitment contains several conditions to the promise to insure:
  - *Liability of ATG under this Commitment shall be only to the named proposed Insured and such parties included under the definition of Insured in the form of policy or policies committed for and only for actual loss incurred in reliance hereon in undertaking in good faith (a) to comply with the requirements hereof, or (b) to eliminate exceptions shown in Schedule B, or (c) to acquire or create the estate or interest or mortgage thereon covered by this Commitment. In no event shall such liability exceed the amount stated in Schedule A for the policy or policies committed for and such liability is subject to the insuring provisions and Conditions and the Exclusions from Coverage of the form of policy or policies committed for in favor of the proposed Insured which are hereby incorporated by reference and are made a part of this Commitment except as expressly modified herein.*



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Commitment for Title Insurance

### ■ Conditions

- The commitment contains several conditions to the promise to insure:
  - *Liability of ATG under this Commitment shall be only to the named proposed Insured and such parties included under the definition of Insured in the form of policy or policies committed for and only for actual loss incurred in reliance hereon ...*
    - The title insurer is liable, to the named proposed Insured only, up to the limits of the title policy for actual loss incurred by the proposed insured in attempting in good faith:
      - to comply with the insurer's requirements;
      - to eliminate exceptions shown in Schedule B; or
      - to acquire an ownership interest or mortgage in the subject property.
    - The insurer's liability is subject to the provisions of the policies committed for, which provisions are incorporated by reference.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Commitment for Title Insurance

### ■ Conditions

- The commitment contains several conditions to the promise to insure:
  - *This Commitment is a contract to issue one or more title insurance policies and is not an abstract of title or a report of the condition of title. Any action or actions or rights of action that the proposed Insured may have or may bring against ATG arising out of the status of the title to the estate or interest or the status of the mortgage thereon covered by this Commitment must be based on and are subject to the provisions of this Commitment.*
    - Title insurance is a contract of indemnity. It is not a guarantee of title to the property. As such, any claim for damages is a contract cause of action based on and subject to the provisions of the commitment.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Commitment for Title Insurance

### ■ Conditions

- The commitment contains several conditions to the promise to insure:
  - *The policy to be issued contains an arbitration clause. All arbitrable matters when the Amount of Insurance is \$2,000,000 or less shall be arbitrated at the option of either ATG or the Insured as the exclusive remedy of the parties. You may review a copy of the arbitration rules at [www.alta.org](http://www.alta.org).*
  - If the Amount of Insurance is \$2,000,000 or less, then either the Insured or the insurer may request arbitration; if the Amount of Insurance is greater than \$2,000,000, then arbitration is available only upon agreement by the Insured and the insurer.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Commitment for Title Insurance

### ■ Schedule A

- The Commitment Form Schedule A is a separate document from the actual Commitment cover. It sets forth the specific details of the transaction and of the real estate. Schedule A includes the following essential elements:
  - *Commitment Number*
    - The number printed on the cover of the Commitment jacket and all the subsequent schedules.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Commitment for Title Insurance

### ■ Schedule A

#### ■ *Effective Date*

- The date and time of the last search of the public records. Remember that the date through which the public records are posted and made available to the public may differ from the date on which the search is actually performed. Be sure to determine the current posting date for the date that a search is performed and use the current posting date and time as the Effective Date.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Commitment for Title Insurance

### ■ Schedule A

#### – *Policy or Policies to be issued:*

##### ■ *Owner's Policy*

- The name of the type of Owner's Policy to be issued (e.g., ALTA Owner's, ALTA Leasehold Owner's, etc.).

##### ■ *Proposed Insured*

- The name(s) of the buyer(s).

##### ■ *Amount*

- Whatever amount the proposed Insured requests.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Commitment for Title Insurance

### ■ Schedule A

- *Policy or Policies to be issued:*
  - *Loan Policy*
    - The name of the type of Loan Policy to be issued (e.g., ALTA Loan Policy, ALTA Leasehold Loan, ALTA Construction Loan, etc.).
  - *Proposed Insured*
    - The name(s) of the institution to be insured. In the case of multiple mortgages, list both lenders and their respective exposure.
  - *Amount*
    - The Amount of Insurance requested by the lender.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Commitment for Title Insurance

### ■ Schedule A

- *The estate or interest in the Land described or referred to in this Commitment is a fee simple (if other, specify same) and title thereto is at the effective date hereof vested in:*
  - The “title vested” clause lists the titleholders of the proposed insured land as of the Commitment date. It also lists the type of estate in which the titleholders are vested (e.g., fee, leasehold, contract purchaser).



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Commitment for Title Insurance

### ■ Schedule A

- *The Land referred to in the Commitment is described as follows:*
  - The legal description of the Land to be insured, which may include an easement for ingress and egress or part of a vacated street or alley.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Commitment for Title Insurance

### ■ Schedule B – Section I

- *The following requirements must be met:*
  - Schedule B – Section I sets forth the requirements that must be satisfied in order to issue the policies with the coverage stated in Schedule A. There are five requirements that automatically appear on Schedule B-I:
    - 1. *Pay the agreed amounts for the interest in the Land and/or the mortgage to be insured:*
      - Conveyance of legal title or creation of the mortgagee lien must be acquired by proper consideration. This requirement covers transactions in which no consideration or less than full consideration is paid for the property, such as a gift or an inheritance, since the title company will be unable to avail itself of the bona fide purchaser defense.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Commitment for Title Insurance

### ■ Schedule B – Section I

- *The following requirements must be met:*
  - Schedule B – Section I sets forth the requirements that must be satisfied in order to issue the policies with the coverage stated in Schedule A. There are five requirements that automatically appear on Schedule B-I:
    - 2. *Pay us the premiums, fees, and charges for the policy.*
    - 3. *Documents satisfactory to us creating the interest in the Land and/or the mortgage to be insured must be signed, delivered, and recorded.*
      - It is the Insured's responsibility to obtain and record all documents necessary to create the interest to be insured.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Commitment for Title Insurance

### ■ Schedule B – Section I

- *The following requirements must be met:*
  - Schedule B – Section I sets forth the requirements that must be satisfied in order to issue the policies with the coverage stated in Schedule A. There are five requirements that automatically appear on Schedule B-I:
    - 4. *You must tell us in writing the name of anyone not referred to in this Commitment who will get an interest in the Land or who will make a loan on the Land. We may then make additional requirements or exceptions.*
      - The title company must be informed of anyone acquiring an interest in the property who is not named on Schedule A, e.g., additional buyers, assignees of contracts or mortgages



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Commitment for Title Insurance

### ■ Schedule B – Section I

- *The following requirements must be met:*
  - Schedule B – Section I sets forth the requirements that must be satisfied in order to issue the policies with the coverage stated in Schedule A. There are five requirements that automatically appear on Schedule B-I:
    - 5. *Other.*
      - This section lists all requirements unique to the transaction that must be satisfied prior to the issuance of the final policy or policies, for example: Personal Information Affidavit; the authority to convey or mortgage on behalf of a corporation, LLC or other entity; the authority to convey in a representative capacity (i.e., Power of Attorney, Personal Representative, Trustee, Guardian, etc.); Condominium Certificate of Compliance.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Commitment for Title Insurance

### ■ Schedule B – Section II

- The purpose of Schedule B – Section II is to set forth all outstanding defects, liens, encumbrances, and other title matters that, unless removed from the commitment, will remain as exceptions to title insurance coverage under the policy or policies. The commitment automatically identifies five Standard Exceptions and four Special Exceptions that are raised on all commitments. Both the Standard Exceptions and Specials Exceptions can be removed from the final title policy if certain conditions are met.
  - *Standard Exceptions:*
    - 1. *Rights or claims of parties in possession not shown by the Public Records.*
      - In order to remove this exception from the Owner or Loan Policy the seller and buyer must provide an ALTA statement and survey of the property.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Commitment for Title Insurance

### ■ Schedule B – Section II

- The commitment automatically identifies five Standard Exceptions and four Special Exceptions that are raised on all commitments.
  - *Standard Exceptions:*
    - 2. *Any encroachment, encumbrance, violation, variation, or adverse circumstance that would be disclosed by an inspection or an accurate and complete land survey of the Land.*
    - 3. *Easements, or claims of easements, not shown by the Public Records.*
      - Both of these exceptions require that a survey of the property (Owner's Policy) or an Affidavit in Lieu of Survey (Loan Policy) be submitted for examination.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Commitment for Title Insurance

### ■ Schedule B – Section II

- The commitment automatically identifies five Standard Exceptions and four Special Exceptions that are raised on all commitments.
  - *Standard Exceptions:*
    - 4. *Any lien, or right to a lien, for services, labor, or material heretofore or hereafter furnished, imposed by law and not shown by the Public Records.*
      - The ALTA Statement is used to determine if there has been any lienable work performed on the property in the past six months. If no work has been completed, then the exception may be removed from the Owner and Loan Policies; otherwise, Owner's and General Contractor's Sworn Statements and final lien waivers from all contractors, subcontractors, and material suppliers must be obtained.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Commitment for Title Insurance

### ■ Schedule B – Section II

- The commitment automatically identifies five Standard Exceptions and four Special Exceptions that are raised on all commitments.
  - *Standard Exceptions:*
    - 5. *Taxes or special assessments that are not shown as existing liens by the Public Records*
      - A normal tax and special assessment search should reveal any real estate taxes that would constitute a lien on the Land.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Commitment for Title Insurance

### ■ Schedule B – Section II

- The commitment automatically identifies five Standard Exceptions and four Special Exceptions that are raised on all commitments.
  - *Special Exceptions:*
    - 1. *Defects, liens, encumbrances, adverse claims, or other matters, if any, created, first appearing in the Public Records, or attaching subsequent to the Effective Date hereof but prior to the date the proposed Insured acquires for value of record the estate or interest or mortgage thereon covered by this Commitment.*
      - To issue a Gap Endorsement, an Affidavit of Title and a Personal Undertaking must be signed by the seller.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Commitment for Title Insurance

### ■ Schedule B – Section II

- The commitment automatically identifies five Standard Exceptions and four Special Exceptions that are raised on all commitments.
  - *Special Exceptions:*
    - 1. *Defects, liens, encumbrances, adverse claims, or other matters ...*
      - The Affidavit of Title states that the affiant is not aware of any circumstances that would adversely affect title. The Personal Undertaking is an indemnification that the signatory will fully protect, defend and hold ATG harmless from said defects in title.
      - Gap coverage may also be given if ATG conducts an agency closing for the benefit of the insured lender and buyer.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Commitment for Title Insurance

### ■ Schedule B – Section II

- The commitment automatically identifies five Standard Exceptions and four Special Exceptions that are raised on all commitments.
  - *Special Exceptions:*
    - 2. *Any Loan Policy issued pursuant to this Commitment will be subject to the following exceptions (a) and (b), in the absence of the production of the data and other matters contained in the ATG ALTA Statement form or an equivalent form:*
      - a. *Any lien, or right to a lien, for services, labor, or materials heretofore or hereafter furnished, imposed by law and not shown by the Public Records;*



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Commitment for Title Insurance

### ■ Schedule B – Section II

- The commitment automatically identifies five Standard Exceptions and four Special Exceptions that are raised on all commitments.
  - *Special Exceptions:*
    - 2. *Any Loan Policy issued pursuant to this Commitment will be subject to the following ...*
      - b. Consequences of the failure of the lender to pay out properly the whole or any part of the loan secured by the mortgage described in Schedule A, as affecting: (i) the validity of the lien of said mortgage; and (ii) the priority of the lien over any other right, claim, lien, or encumbrance that has or may become superior to the lien of said mortgage before the disbursement of the entire proceeds of the loan.*
    - The exception may be removed with a signed ALTA Statement indicating that there has not been and will not be any construction on the property.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Commitment for Title Insurance

### ■ Schedule B – Section II

- The commitment automatically identifies five Standard Exceptions and four Special Exceptions that are raised on all commitments.
  - *Special Exceptions:*
    - 3. *Payment of full consideration to, or the account of, the grantors or mortgagors for the estate or interest to be insured.*
      - This Special Exception is a restatement of the requirement set forth in Schedule B-I, paragraph 1. The issuance of an Owner's or Loan Policy is dependent upon the payment of the agreed amount to obtain the interest in land.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Commitment for Title Insurance

### ■ Schedule B – Section II

- The commitment automatically identifies five Standard Exceptions and four Special Exceptions that are raised on all commitments.
  - *Special Exceptions:*
    - 4. *Recordation or registration of duly executed and delivered instruments sufficient to create the estate or interest to be insured.*
      - This Special Exception is a restatement of the requirement set forth in Schedule B-I, paragraph 3. The issuance of the Owner's and Loan Policy is dependent upon creating and recording valid instruments to create the estate or interest to be insured.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Commitment for Title Insurance

### ■ Schedule B – Section II

- The commitment automatically identifies five Standard Exceptions and four Special Exceptions that are raised on all commitments.
  - *Special Exceptions:*
    - 5 ... n.
      - Subsequent Special Exceptions are those title and policy matters specific to the insured property, the transaction, and the parties, such as real estate taxes, mortgages, easements, plat or recorded restrictions, etc.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## ALTA 2006 Owner's Title Policy



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago

ATG LEGAL EDUCATION ALTA Title Policy Coverage



Audio problems?  
Listen by phone: 877.691.9300  
Access Code: 7521231#

### Owner's Policy: Covered Risks

- Insured matters are now called "Covered Risks."
- 1992 Policy only had four insuring provisions.
- 2006 Policy now has ten Covered Risks with examples of coverages listed.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago

ATG LEGAL EDUCATION ALTA Title Policy Coverage



Audio problems?  
Listen by phone: 877.691.9300  
Access Code: 7521231#

## Covered Risks

- *SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B, AND THE CONDITIONS, Attorneys' Title Guaranty Fund, Inc., an Illinois corporation ("ATG®") insures, as of Date of Policy and, to the extent stated in Covered Risks 9 and 10, after Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured by reason of:*



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Covered Risks

- 1. *Title being vested other than as stated in Schedule A.*
  - Same language as 1992 policy.
  - Person named in Schedule A owns the property in fee simple.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Covered Risks

- 2. Any defect in or lien or encumbrance on the Title. This Covered Risk includes but is not limited to insurance against loss from:
  - (a) A defect in the Title caused by
    - Examples of risks are now enumerated and include such things as:
      - (i) forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;
      - (ii) failure of any person or Entity to have authorized a transfer or conveyance;



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Covered Risks

- 2. Any defect in or lien or encumbrance on the Title. This Covered Risk includes but is not limited to insurance against loss from:
  - (a) A defect in the Title caused by
    - Examples of risks are now enumerated and include such things as:
      - (iii) a document affecting Title not properly created, executed, witnessed, sealed, acknowledged, notarized, or delivered;
      - (iv) failure to perform those acts necessary to create a document by electronic means authorized by law;



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Covered Risks

- 2. Any defect in or lien or encumbrance on the Title. This Covered Risk includes but is not limited to insurance against loss from:
  - (a) A defect in the Title caused by
    - Examples of risks are now enumerated and include such things as:
      - (v) a document executed under a falsified, expired, or otherwise invalid power of attorney;
      - (vi) a document not properly filed, recorded, or indexed in the Public Records including failure to perform those acts by electronic means authorized by law; or
      - (vii) a defective judicial or administrative proceeding.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Covered Risks

- 2. Any defect in or lien or encumbrance on the Title. This Covered Risk includes but is not limited to insurance against loss from:
  - (b) The lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Covered Risks

- 2. *Any defect in or lien or encumbrance on the Title. This Covered Risk includes but is not limited to insurance against loss from:*
  - (c) *Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land. The term “encroachment” includes encroachments of existing improvements located on the Land onto adjoining land, and encroachments onto the Land of existing improvements located on adjoining land.*



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Covered Risks

- 3. *Unmarketable Title.*
  - Same language as 1992 policy, but the 2006 policy now contains a definition of Unmarketable Title in Condition 1(k).
    - (k) *“Unmarketable Title”: Title affected by an alleged or apparent matter that would permit a prospective purchaser or lessee of the Title or lender on the Title to be released from the obligation to purchase, lease, or lend if there is a contractual condition requiring the delivery of marketable title.*



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Covered Risks

- 4. *No right of access to and from the Land.*
  - Access by a particular means not insured.
  - Access to a street, private road, or easement would require:
    - Special Endorsement; or
    - Coverage in Schedule A .



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Covered Risks

- The coverages in paragraphs 5 through 8 were carve-outs to paragraphs 1, 2, and 4 in **Exclusions from Coverage** in the 1992 form. Instead, these coverages are now affirmatively stated as **Covered Risks**.
- Coverage exists if notice of enforcement is of record as of Date of Policy.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Covered Risks

- 5. *The violation or enforcement of any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to:*
  - (a) *the occupancy, use, or enjoyment of the Land;*
  - (b) *the character, dimensions, or location of any improvement erected on the Land;*
  - (c) *the subdivision of land; or*
  - (d) *environmental protection if a notice, describing any part of the Land, is recorded in the Public Records setting forth the violation or intention to enforce, but only to the extent of the violation or enforcement referred to in that notice.*



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Covered Risks

- 6. *An enforcement action based on the exercise of a governmental police power not covered by Covered Risk 5 if a notice of the enforcement action, describing any part of the Land, is recorded in the Public Records, but only to the extent of the enforcement referred to in that notice.*



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Covered Risks

- 7. *The exercise of the rights of eminent domain if a notice of the exercise, describing any part of the Land, is recorded in the Public Records.*



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Covered Risks

- 8. *Any taking by a governmental body that has occurred and is binding on the rights of a purchaser for value without Knowledge.*



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Covered Risks

- 9. Title being vested other than as stated in Schedule A or being defective:
  - (a) as a result of the avoidance in whole or in part, or from a court order providing an alternative remedy, of a transfer of all or any part of the title to or any interest in the Land occurring prior to the transaction vesting Title as shown in Schedule A because that prior transfer constituted a fraudulent or preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws; or



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Covered Risks

- 9. Title being vested other than as stated in Schedule A or being defective:
  - (b) because the instrument of transfer vesting Title as shown in Schedule A constitutes a preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws by reason of the failure of its recording in the Public Records
    - (i) to be timely, or
    - (ii) to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.
  - Post-policy coverage added for the first time.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Covered Risks

- 10. Any defect in or lien or encumbrance on the Title or other matter included in Covered Risks 1 through 9 that has been created or attached or has been filed or recorded in the Public Records subsequent to Date of Policy and prior to the recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Exclusions from Coverage

- *The following matters are expressly excluded from the coverage of this policy, and ATG will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:*



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Exclusions from Coverage

- 1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Exclusions from Coverage

- 2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Exclusions from Coverage

- 3. *Defects, liens, encumbrances, adverse claims, or other matters*
  - (a) *created, suffered, assumed, or agreed to by the Insured Claimant;*
  - (b) *not Known to ATG, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to ATG by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;*
  - (c) *resulting in no loss or damage to the Insured Claimant;*
  - (d) *attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risks 9 and 10); or*
  - (e) *resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.*



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago

## Exclusions from Coverage

- 4. *Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is*
  - (a) *a fraudulent conveyance or fraudulent transfer; or*
  - (b) *a preferential transfer for any reason not stated in Covered Risk 9 of this policy.*



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago

## Exclusions from Coverage

- 5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Conditions (Formerly Conditions and Stipulations)

### ■ 1. DEFINITION OF TERMS

- The following terms when used in this policy mean:
  - (a) "Amount of Insurance": The amount stated in Schedule A, as may be increased or decreased by endorsement to this policy, increased by Section 8(b), or decreased by Sections 11 and 12 of these Conditions.
    - The new policy adds coverage under 8(b) to increase total coverage by 10% if the title company files suit or otherwise attempts to cure and is unsuccessful in doing so. This is to potentially compensate the Insured for the delay in recovery caused by the insurer's unsuccessful efforts during which time the value of the property may have increased.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Conditions

### ■ 1. DEFINITION OF TERMS

- The following terms when used in this policy mean:
  - (d) “Insured”: The Insured named in Schedule A.
    - (i) The term “Insured” also includes
      - (A) successors to the Title of the Insured by operation of law as distinguished from purchase, including heirs, devisees, survivors, personal representatives, or next of kin;
      - (B) successors to an Insured by dissolution, merger, consolidation, distribution, or reorganization;
      - (C) successors to an Insured by its conversion to another kind of Entity;



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Conditions

### ■ 1. DEFINITION OF TERMS

- The following terms when used in this policy mean:
  - (d) “Insured”: The Insured named in Schedule A.
    - (i) The term “Insured” also includes
      - (D) a grantee of an Insured under a deed delivered without payment of actual valuable consideration conveying the Title
        - (1) if the stock, shares, memberships, or other equity interests of the grantee are wholly-owned by the named Insured,
        - (2) if the grantee wholly owns the named Insured,



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Conditions

### ■ 1. DEFINITION OF TERMS

- The following terms when used in this policy mean:
  - (d) “Insured”: The Insured named in Schedule A.
    - (i) The term “Insured” also includes
      - (D) a grantee of an Insured under a deed delivered without payment of actual valuable consideration conveying the Title
        - (3) if the grantee is wholly-owned by an affiliated Entity of the named Insured, provided the affiliated Entity and the named Insured are both wholly-owned by the same person or Entity, or



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Conditions

### ■ 1. DEFINITION OF TERMS

- The following terms when used in this policy mean:
  - (d) “Insured”: The Insured named in Schedule A.
    - (i) The term “Insured” also includes
      - (D) a grantee of an Insured under a deed delivered without payment of actual valuable consideration conveying the Title
        - (4) if the grantee is a trustee or beneficiary of a trust created by a written instrument established by the Insured named in Schedule A for estate planning purposes.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Conditions

- These expansions of the definition of “Insured” now include a transfer to a living trust, land trust, or such entity where the Insureds and the beneficiaries of that trust are the same persons. It eliminates the need for a new policy when there is a conveyance to a living trust where the “true ownership” remains unchanged.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Conditions

### ■ 1. DEFINITION OF TERMS

- *The following terms when used in this policy mean:*
  - (g) “Land”: *The land described in Schedule A, and affixed improvements that by law constitute real property. The term “Land” does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is insured by this policy.*



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Conditions

### ■ 2. CONTINUATION OF INSURANCE

- *The coverage of this policy shall continue in force as of Date of Policy in favor of an Insured, but only so long as the Insured retains an estate or interest in the Land, or holds an obligation secured by a purchase money Mortgage given by a purchaser from the Insured, or only so long as the Insured shall have liability by reason of warranties in any transfer or conveyance of the Title.*



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Conditions

### ■ 3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT

- *The Insured shall notify ATG promptly in writing (i) in case of any litigation as set forth in Section 5(a) of these Conditions, (ii) in case Knowledge shall come to an Insured hereunder of any claim of title or interest that is adverse to the Title, as insured, and that might cause loss or damage for which ATG may be liable by virtue of this policy, or (iii) if the Title, as insured, is rejected as Unmarketable Title. If ATG is prejudiced by the failure of the Insured Claimant to provide prompt notice, ATG's liability to the Insured Claimant under the policy shall be reduced to the extent of the prejudice.*



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Conditions

### ■ 4. PROOF OF LOSS

- *In the event ATG is unable to determine the amount of loss or damage, ATG may, at its option, require as a condition of payment that the Insured Claimant furnish a signed proof of loss. The proof of loss must describe the defect, lien, encumbrance, or other matter insured against by this policy that constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage.*



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Conditions

### ■ 5. DEFENSE AND PROSECUTION OF ACTIONS

- *(a) ATG, at its own cost and without unreasonable delay, shall provide for the defense of an Insured in litigation in which any third party asserts a claim covered by this policy adverse to the Insured.*
  - This is the duty to defend that is often more encompassing than the duty to indemnify. Title Company may defend with a reservation of rights as to any obligation for damages under the policy. See, *General Agents Ins. Co. v. Midwest Sporting Goods*, 215 Ill 2d 146, 828N.E.2d 1092, 293 Ill Dec. 594 (2005)—(no recovery of litigation expenses under reservation of rights unless that right is expressly stated in the insurance contract).



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Conditions

### ■ 5. DEFENSE AND PROSECUTION OF ACTIONS

- (b) *ATG shall have the right ... to institute and prosecute any action or proceeding or to do any other act that in its opinion may be necessary or desirable to establish the Title, as insured, or to prevent or reduce loss or damage to the Insured.*
  - This part of the Title company's right to cure a defect per litigation or other efforts.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Conditions

### ■ 6. DUTY OF INSURED CLAIMANT TO COOPERATE

- (a) *In all cases where this policy permits or requires ATG to prosecute or provide for the defense of any action or proceeding and any appeals, the Insured shall secure to ATG the right to so prosecute or provide defense in the action or proceeding, including the right to use, at its option, the name of the Insured for this purpose. Whenever requested by ATG, the Insured, at ATG's expense, shall give ATG all reasonable aid ...*



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Conditions

### ■ 7. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY

- In case of a claim under this policy, ATG shall have the following additional options:
  - (a) To Pay or Tender Payment of the Amount of Insurance.
    - To pay or tender payment of the Amount of Insurance under this policy together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by ATG up to the time of payment or tender of payment and that ATG is obligated to pay.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Conditions

### ■ 7. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY

- In case of a claim under this policy, ATG shall have the following additional options:
  - (a) To Pay or Tender Payment of the Amount of Insurance.
    - Upon the exercise by ATG of this option, all liability and obligations of ATG to the Insured under this policy, other than to make the payment required in this subsection, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.
      - Allows the Title Company to pay policy limits and avoid any further liability or duties under the policy.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Conditions

### ■ 7. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY

- In case of a claim under this policy, ATG shall have the following additional options:
  - (b) To Pay or Otherwise Settle With Parties Other Than the Insured or With the Insured Claimant.
    - (i) To pay or otherwise settle with other parties for or in the name of an Insured Claimant any claim insured against under this policy. In addition, ATG will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by ATG up to the time of payment and that ATG is obligated to pay; or



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Conditions

### ■ 7. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY

- In case of a claim under this policy, ATG shall have the following additional options:
  - (b) To Pay or Otherwise Settle With Parties Other Than the Insured or With the Insured Claimant.
    - (ii) To pay or otherwise settle with the Insured Claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by ATG up to the time of payment and that ATG is obligated to pay.
      - NOTE: Only authorized costs are reimbursed.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Conditions

### ■ 8. DETERMINATION AND EXTENT OF LIABILITY

- *This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy.*
  - This provision is the basis for *First Midwest Bank v. Stewart Title*, 218 Ill.2d 326300 Ill. Dec. 69, 843 N.E.2d 327 (2006).



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Conditions

### ■ 8. DETERMINATION AND EXTENT OF LIABILITY

- *This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy.*
  - (a) *The extent of liability of ATG for loss or damage under this policy shall not exceed the lesser of*
    - (i) *the Amount of Insurance; or*
    - (ii) *the difference between the value of the Title as insured and the value of the Title subject to the risk insured against by this policy.*



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Conditions

### ■ 8. DETERMINATION AND EXTENT OF LIABILITY

- *This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy.*
  - (b) *If ATG pursues its rights under Section 5 of these Conditions and is unsuccessful in establishing the Title, as insured,*
    - (i) *the Amount of Insurance shall be increased by 10%, and*
    - (ii) *the Insured Claimant shall have the right to have the loss or damage determined either as of the date the claim was made by the Insured Claimant or as of the date it is settled and paid.*



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Conditions

### ■ 8. DETERMINATION AND EXTENT OF LIABILITY

- *This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy.*
  - (c) *In addition to the extent of liability under (a) and (b), ATG will also pay those costs, attorneys' fees, and expenses incurred in accordance with Sections 5 and 7 of these Conditions.*



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Conditions

### ■ 9. LIMITATION OF LIABILITY

- (a) *If ATG establishes the Title, or removes the alleged defect, lien, or encumbrance, or cures the lack of a right of access to or from the Land, or cures the claim of Unmarketable Title, all as insured, in a reasonably diligent manner ... , it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused to the Insured.*
  - If the Title Company cures the problem, its liability ends.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Conditions

### ■ 9. LIMITATION OF LIABILITY

- (c) *ATG shall not be liable for loss or damage to the Insured for liability voluntarily assumed by the Insured in settling any claim or suit without the prior written consent of ATG.*
  - If the Insured settles the issue without the consent of the Title Company, Title Company has no liability.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Conditions

- **10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY**
  - *All payments under this policy, except payments made for costs, attorneys' fees, and expenses, shall reduce the Amount of Insurance by the amount of the payment.*
    - Claim payments reduce the Amount of Insurance remaining on the property.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Conditions

- **11. LIABILITY NONCUMULATIVE**
  - *The Amount of Insurance shall be reduced by any amount ATG pays under any policy insuring a Mortgage to which exception is taken in Schedule B or to which the Insured has agreed, assumed, or taken subject, or which is executed by an Insured after Date of Policy and which is a charge or lien on the Title, and the amount so paid shall be deemed a payment to the Insured under this policy.*



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Conditions

### ■ 13. RIGHTS OF RECOVERY UPON PAYMENT OR SETTLEMENT

- (a) *Whenever ATG shall have settled and paid a claim under this policy, it shall be subrogated and entitled to the rights of the Insured Claimant in the Title and all other rights and remedies in respect to the claim that the Insured Claimant has against any person or property, to the extent of the amount of any loss, costs, attorneys' fees, and expenses paid by ATG.*



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Conditions

### ■ 14. ARBITRATION

- *Either ATG or the Insured may demand that the claim or controversy shall be submitted to arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association .*
- *All arbitrable matters when the Amount of Insurance is \$2,000,000 or less shall be arbitrated at the option of either ATG or the Insured. All arbitrable matters when the Amount of Insurance is in excess of \$2,000,000 shall be arbitrated only when agreed to by both ATG and the Insured.*



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Schedule A

- **Schedule A of the Owner's Policy sets forth the specific details of the transaction and of the real estate. Schedule A includes the following essential elements:**
  - *Policy Number*
  - *Date of Policy*
    - Liability under the policy is only for losses incurred for Covered Risks that existed before but suffered after the Date of the Policy.
  - *Amount of Insurance*
    - The sales price or other consideration paid for the interest.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Schedule A

- **Schedule A of the Owner's Policy sets forth the specific details of the transaction and of the real estate. Schedule A includes the following essential elements:**
  - *Name of Insured*
    - The names of the titleholders of the interest being insured.
  - *The estate or interest in the Land that is insured by this policy*
    - Insert the type of interest insured by the policy (i.e. fee simple, leasehold, contract purchaser. etc.).



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Schedule A

- **Schedule A of the Owner's Policy sets forth the specific details of the transaction and of the real estate. Schedule A includes the following essential elements:**
  - *Title is vested in*
    - The names of the titleholders of the insured interest.
  - *The land referred to in this policy is described as follows*
    - The full legal description of the premises being insured.
  - *Issued by*
    - The issuing agent's name, member number, authorized signature, and address.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Schedule B

- **Schedule B of the Owner's Policy relates specifically to the real estate in question and sets forth matters for which no coverage is given to the Insured and the title company has no duty to defend. Schedule B includes the following essential elements:**
  - *Exceptions From Coverage*
    - The policy does not insure against loss or damage, and the title company will not pay costs, attorneys' fees, or expenses that arise by reasons stated as exceptions in Schedule B.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Schedule B

- **Schedule B of the Owner's Policy relates specifically to the real estate in question and sets forth matters for which no coverage is given to the Insured and the title company has no duty to defend. Schedule B includes the following essential elements:**

- *Standard Exceptions*

- The five Standard Exceptions from Schedule B-II of the Commitment are reprinted on Schedule B. (Compare to Schedule B of the Loan Policy, which automatically deletes these exceptions.) The Standard Exceptions are those matters that apply to all properties generally. Deleting the five Standard Exceptions provides the insured with "full ALTA" or "extended" coverage.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Schedule B

- **Schedule B of the Owner's Policy relates specifically to the real estate in question and sets forth matters for which no coverage is given to the Insured and the title company has no duty to defend. Schedule B includes the following essential elements:**

- *Special Exceptions*

- The Special Exceptions raise specific title matters that relate to the specific real estate, the Insured, and the transaction. These exceptions may include mortgages, other liens or restrictions, easements, subdivision agreements, and other matters that represent encumbrances on or defects in title.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Selected Endorsements



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Endorsements

- **Covenants, Conditions, and Restrictions – Unimproved Land – Owner's Endorsement (ALTA 9.1-06) (ATG Form 2098-06)**
  - Coverage
    - This endorsement provides extensive coverage on an Owner's Policy insuring vacant and unimproved land. It defines "covenant" as a covenant, condition, restriction, or limitation contained in a document or instrument in effect at the Date of Policy. This endorsement insures the insured against the following matters:
      - A violation at Date of Policy of an enforceable covenant; unless an exception in Schedule B identifies the violation;
      - A recorded notice of violation of an enforceable covenant relating to environmental protection, to the extent the violation referred to in the notice, unless an exception in Schedule B identifies the notice of violation.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Endorsements

- **Covenants, Conditions, and Restrictions – Unimproved Land – Owner’s Endorsement (ALTA 9.1-06) (ATG Form 2098-06)**
  - Coverage
    - The endorsement does not insure any covenant 1) contained in a lease, 2) obligating maintenance, repair, or remediation on the land, or 3) relating to environmental protection, except as otherwise insured by the endorsement.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Endorsements

- **Covenants, Conditions, and Restrictions – Unimproved Land – Owner’s Endorsement (ALTA 9.1-06) (ATG Form 2098-06)**
  - Procedure
    - This endorsement may be issued on an Owner’s Policy. To issue this endorsement, the following requirements must be satisfied
      - Carefully review each covenant to determine what additional information or documents (e.g., surveys, affidavits or letters from adjoining landowners, condominium or homeowner boards, governmental bodies, etc.) may be required in order to determine if there is a violation of that covenant
      - Review the survey, affidavits and other documents to determine if there is or may be a violation of the covenant. Raise a Schedule B exception for the specific violation.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Endorsements

### ■ Covenants, Conditions, and Restrictions – Improved Land – Owner’s Endorsement (ALTA 9.2-06) (ATG Form 2099-06)

#### – Coverage

- This endorsement provides extensive coverage on an Owner’s Policy insuring improved land. It defines “covenant” as a covenant, condition, restriction, or limitation contained in a document or instrument in effect at the Date of Policy, and “improvement” as a building, structure, road, walkway, driveway, or curb, affixed to the Land at Date of Policy. This endorsement insures the insured against the following matters:
  - A violation at Date of Policy of an enforceable covenant; unless an exception in Schedule B identifies the violation;
  - Enforced removal of an improvement due to a violation at Date of Policy of a building setback line; unless an exception in Schedule B identifies the violation.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Endorsements

### ■ Covenants, Conditions, and Restrictions – Improved Land – Owner’s Endorsement (ALTA 9.2-06) (ATG Form 2099-06)

#### – Coverage

- A recorded notice of violation of an enforceable covenant relating to environmental protection, to the extent the violation referred to in the notice, unless an exception in Schedule B identifies the notice of violation.
  - The endorsement does not insure any covenant 1) contained in a lease, 2) obligating maintenance, repair, or remediation on the land, or 3) relating to environmental protection, except as otherwise insured by the endorsement.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Endorsements

- **Covenants, Conditions, and Restrictions – Improved Land – Owner’s Endorsement (ALTA 9.2-06) (ATG Form 2099-06)**

- Procedure

- This endorsement may be issued on an Owner's Policy. To issue this endorsement, the following requirements must be satisfied
  - Carefully review each covenant to determine what additional information or documents (e.g., surveys, affidavits or letters from adjoining landowners, condominium or homeowner boards, governmental bodies, etc.) may be required in order to determine if there is a violation of that covenant
  - Review the survey, affidavits and other documents to determine if there is or may be a violation of the covenant. Raise a Schedule B exception for the specific violation.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Endorsements

- **A survey is required to issue:**

- Access and Entry Endorsement (ALTA 17-06) (ATG Form 2115-06)
- Contiguity – Single Parcel Endorsement (ALTA 19.1-06) (ATG Form 2120-06)
- Legal Description Endorsement (ATG Form 2029)
- Survey Endorsement (ALTA 25-06) (ATG Form 2062-06)
- Zoning – Completed Structure Endorsement (ALTA 3.1-06) (ATG Form 2040-06)



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Endorsements

- **Access and Entry Endorsement (ALTA 17-06)  
(ATG Form 2115-06)**

- Coverage

- All ATG policies insure access in paragraph 4 of the insuring provisions on the jacket. This endorsement provides additional coverage for loss or damage suffered as the result of the insured land not being contiguous to a public right-of-way, not having physical access to a public right-of-way, or the limitation of the right of access via existing curb cuts or entries to a public right-of-way.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Endorsements

- **Access and Entry Endorsement (ALTA 17-06)  
(ATG Form 2115-06)**

- Procedure

- This endorsement may be issued on Owner's and Loan policies. To issue this endorsement, determine whether the property abuts a public road, which may require obtaining a survey, the plat of survey or some other county maps. You may also have to check with the local municipality's transportation department to determine whether a curb cut is required for access to a particular road. Sometimes the county provides some kind of access certificate to a road. Please be sure that the street you identify as providing access has been dedicated to the public and is not a private road. If it is a private road, then the property owner must have some ownership interest in the private road, allowing the owner to use it.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Endorsements

- **Access and Entry Endorsement (ALTA 17-06)  
(ATG Form 2115-06)**
  - Procedure
    - To issue this endorsement for a property that has access to a public road by way of a private ingress and egress easement, all of ATG's underwriting guidelines for insuring an easement must be met.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Endorsements

- **Contiguity – Single Parcel Endorsement (ALTA 19.1-06)  
(ATG Form 2120-06)**
  - Coverage
    - This endorsement insures the owner or lender against loss in the event the land described in Schedule A is not contiguous to other identified adjoining land not insured under the policy.
  - Procedure
    - This endorsement may be issued on either Owner's or Loan Policies. To issue this endorsement, the parties must provide at least an Illinois boundary survey drawn to show both parcels. Review the survey to verify there are no gaps between the insured and the uninsured land. Fill out the appropriate portions on Section 1 of the endorsement.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Endorsements

- **Legal Description Endorsement (ATG Form 2029)**
  - Insures against *actual* loss or damage suffered by the Insured due to inaccuracy of the following:
    - The Land described in Schedule A, the deed, and mortgage are legally identical, despite any differences in the language used to describe the Land.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Endorsements

- **Standard Exception Waiver Endorsement 1 (ATG Form 2038)**
  - Coverage
    - This endorsement waives the five standard exceptions that always appear on Schedule B of the Owner's Policy. The waiver of the standard exceptions is sometimes referred to as "extended coverage." The five standard exceptions read as follows:
      - 1. Rights or claims of parties in possession not shown by the public records.
      - 2. Encroachments, overlaps, boundary line disputes, and any matters that would be disclosed by an accurate survey and inspection of the premises.
      - 3. Easements, or claims of easements, not shown by the public records.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Endorsements

### ■ Standard Exception Waiver Endorsement 1 (ATG Form 2038)

- Coverage
  - This endorsement waives the five standard exceptions that always appear on Schedule B of the Owner's Policy. The waiver of the standard exceptions is sometimes referred to as "extended coverage." The five standard exceptions read as follows:
    - 4. Any lien, or right to a lien, for services, labor, or material heretofore or hereafter furnished, imposed by law, and not shown by the public record
    - 5. Taxes or special assessments that are not shown as existing liens by the public records.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Endorsements

### ■ Standard Exception Waiver Endorsement 1 (ATG Form 2038)

- Procedure
  - This endorsement may be issued only on Owner's Policies for residential property (four or fewer residential units). To issue this endorsement, follow ATG's underwriting guidelines for providing extended coverage, by taking the following steps:
    - Obtain a current ALTA Statement, signed by the seller(s), buyer(s) and lender. Read the ALTA Statement and raise Schedule B exceptions for any adverse matters it reveals.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Endorsements

### ■ Standard Exception Waiver Endorsement 1 (ATG Form 2038)

#### – Procedure

- This endorsement may be issued only on Owner's Policies for residential property (four or fewer residential units). To issue this endorsement, follow ATG's underwriting guidelines for providing extended coverage, by taking the following steps:
  - If the ALTA statement reveals that work, which could result in a mechanics' lien, has been completed on the property within the last four months, require sworn statements from the owner and general contractor indicating all persons who worked on the property. Obtain final lien waivers for all the work completed.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Endorsements

### ■ Standard Exception Waiver Endorsement 1 (ATG Form 2038)

#### – Procedure

- This endorsement may be issued only on Owner's Policies for residential property (four or fewer residential units). To issue this endorsement, follow ATG's underwriting guidelines for providing extended coverage, by taking the following steps:
  - Inspect a current boundary survey, completed within the last 6 months. Look for easements, setback lines, encroachments, possible boundary disputes, etc. Raise Schedule B exceptions for all easements, setback lines, encroachments onto easements, violations of setback lines, encroachments onto adjoining property, encroachments from adjoining property onto the insured land, etc. Waive any exceptions for encroachments per the underwriting guidelines for insuring encroachments on Owner's Policies.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Endorsements

### ■ Standard Exception Waiver Endorsement 1 (ATG Form 2038)

- Procedure
  - This endorsement may be issued only on Owner's Policies for residential property (four or fewer residential units). To issue this endorsement, follow ATG's underwriting guidelines for providing extended coverage, by taking the following steps:
    - Search for special assessments and taxes and raise any you find as exceptions on Schedule B.
    - For a full discussion of waiving the Standard Exceptions and the required documentation, see ATG's underwriting guidelines for providing extended coverage.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Endorsements

### ■ Survey Endorsement (ALTA 25-06) (ATG Form 2062)

- Coverage
  - This endorsement insures that the survey covers the insured land.
- Procedure
  - This endorsement may be issued on either Owner's or Loan Policies. This endorsement may be issued upon the satisfactory conclusion that, despite minor language differences in the legal description described in Schedule A of the policy and the survey, the land described in Schedule A and the survey are identical. The surveyor may supply you with that opinion, in writing, for the title file.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Endorsements

- **Zoning Endorsement 3.1 (ALTA 3.1-06) (ATG Form 2040-06)**
  - Further insures against loss or damage arising from a final decree of a court of competent jurisdiction:
    - Prohibiting the use of the Land, with any structure presently located thereon, as specified in the zoning classification.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Endorsements

- **Zoning Endorsement 3.1 (ALTA 3.1-06) (ATG Form 2040-06)**
  - Further insures against loss or damage arising from a final decree of a court of competent jurisdiction:
    - Requiring the removal or alteration of the structure on the basis that, at Date of Policy, the ordinances have been violated with respect to any of the following matters:
      - area, width, or depth of the Land as a building site for the structure;
      - floor space area of the structure;
      - setback of the structure from the property lines; and
      - height of the structure.



**Greg Miely**  
Attorneys' Title Guaranty Fund, Inc.  
Champaign



**Kathy Xiahou**  
Attorneys' Title Guaranty Fund, Inc.  
Chicago



## Thank you for attending today's seminar.

- Please return to the [ATG Legal Education homepage](#) to certify your attendance.
  - Complete the Certification/Survey.

Jim's Homepage

My Registrations My Notifications

Prerequisite(s) Mandatory Sort By Descending by Date

**Estate Planning and Asset Protection Planning for Retirement**

Accounts OD.011

OnDemand

Registered: 06/10/2016

When it comes to IRA & qualified retirement plans, most tax planning focuses on the Required Minimum Distribution rules.

More Details

Survey

- Select “Attendance Records” at left to view and print your certificate.

Jim's Attendance Records

Add External Training

Training Professional Hours Credits Display: All

Curriculum Name	Completed Date	Type	Rating	Score	Status	Hours	Action
TRID Tuesday-Session 3: Overview of Lender Web Portals Jan 19, 2016	01/19/2016	Live			Complete	1.00	
11th Annual Harold I. Levine Real Estate Institute	11/05/2015	Live			Complete	3.00	



## ENDORSEMENT

 ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.:

State Issued:

### COVENANTS, CONDITIONS, AND RESTRICTIONS – UNIMPROVED LAND – OWNER'S ENDORSEMENT (ALTA 9.1-06)

1. The insurance provided by this endorsement is subject to the exclusions in Section 4 of this endorsement and the Exclusions from Coverage, the Exceptions from Coverage contained in Schedule B, and the Conditions in the policy.
2. For the purposes of this endorsement only, "Covenant" means a covenant, condition, limitation, or restriction in a document or instrument in effect at Date of Policy.
3. ATG® insures against loss or damage sustained by the Insured by reason of:
  - a. A violation on the Land at Date of Policy of an enforceable Covenant, unless an exception in Schedule B of the policy identifies the violation; or
  - b. A notice of a violation, recorded in the Public Records at Date of Policy, of an enforceable Covenant relating to environmental protection describing any part of the Land and referring to that Covenant, but only to the extent of the violation of the Covenant referred to in that notice, unless an exception in Schedule B of the policy identifies the notice of the violation.
4. This endorsement does not insure against loss or damage (and ATG will not pay costs, attorneys' fees, or expenses) resulting from:
  - a. any Covenant contained in an instrument creating a lease;
  - b. any Covenant relating to obligations of any type to perform maintenance, repair, or remediation on the Land; or
  - c. except as provided in Section 3.b., any Covenant relating to environmental protection of any kind or nature, including hazardous or toxic matters, conditions, or substances.

This endorsement is issued as part of the policy. Except as it expressly states, it does not: (i) modify any of the terms and provisions of the policy; (ii) modify any prior endorsements; (iii) extend the Date of Policy; or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Member No.

\_\_\_\_\_  
Signature of Member or Authorized Signatory

## ENDORSEMENT

 ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.:

State Issued:

### COVENANTS, CONDITIONS, AND RESTRICTIONS – IMPROVED LAND – OWNER'S ENDORSEMENT (ALTA 9.2-06)

1. The insurance provided by this endorsement is subject to the exclusions in Section 4 of this endorsement and the Exclusions from Coverage, the Exceptions from Coverage contained in Schedule B, and the Conditions in the policy.
2. For the purposes of this endorsement only,
  - a. "Covenant" means a covenant, condition, limitation, or restriction in a document or instrument in effect at Date of Policy.
  - b. "Improvement" means a building, structure located on the surface of the Land, road, walkway, driveway, or curb, affixed to the Land at Date of Policy and that by law constitutes real property, but excluding any crops, landscaping, lawn, shrubbery, or trees.
3. ATG<sup>®</sup> insures against loss or damage sustained by the Insured by reason of:
  - a. a violation on the Land at Date of Policy of an enforceable Covenant, unless an exception in Schedule B of the policy identifies the violation;
  - b. enforced removal of an Improvement as a result of a violation, at Date of Policy, of a building setback line shown on a plat of subdivision recorded or filed in the Public Records, unless an exception in Schedule B of the policy identifies the violation; or
  - c. a notice of a violation, recorded in the Public Records at Date of Policy, of an enforceable Covenant relating to environmental protection describing any part of the Land and referring to that Covenant, but only to the extent of the violation of the Covenant referred to in that notice, unless an exception in Schedule B of the policy identifies the notice of the violation.
4. This endorsement does not insure against loss or damage (and ATG will not pay costs, attorneys' fees, or expenses) resulting from:
  - a. any Covenant contained in an instrument creating a lease;
  - b. any Covenant relating to obligations of any type to perform maintenance, repair, or remediation on the Land; or
  - c. except as provided in Section 3.c., any Covenant relating to environmental protection of any kind or nature, including hazardous or toxic matters, conditions, or substances.

This endorsement is issued as part of the policy. Except as it expressly states, it does not: (i) modify any of the terms and provisions of the policy; (ii) modify any prior endorsements; (iii) extend the Date of Policy; or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Member No.

\_\_\_\_\_  
Signature of Member or Authorized Signatory

## ENDORSEMENT

### ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.:

State Issued:

#### ACCESS AND ENTRY ENDORSEMENT (ALTA 17-06)

ATG insures against loss or damage sustained by the Insured if, at Date of Policy: (i) the Land does not abut and have both actual vehicular and pedestrian access to and from \_\_\_\_\_ (the "Street"); (ii) the Street is not physically open and publicly maintained; or (iii) the Insured has no right to use existing curb cuts or entries along that portion of the Street abutting the Land.

This endorsement is issued as part of the policy. Except as it expressly states, it does not: (i) modify any of the terms and provisions of the policy; (ii) modify any prior endorsements; (iii) extend the Date of Policy; or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Member No.

\_\_\_\_\_  
Signature of Member or Authorized Signatory

## ENDORSEMENT

### ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.:

State Issued:

#### **CONTIGUITY – SINGLE PARCEL ENDORSEMENT (ALTA 19.1-06)**

ATG insures against loss or damage sustained by the Insured by reason of:

1. the failure of the Land to be contiguous to that certain parcel of real property legally described as:

along the \_\_\_\_\_ boundary line(s); or

2. the presence of any gaps, strips, or gores separating any of the contiguous boundary lines described above.

This endorsement is issued as part of the policy. Except as it expressly states, it does not: (i) modify any of the terms and provisions of the policy; (ii) modify any prior endorsements; (iii) extend the Date of Policy; or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Member No.

\_\_\_\_\_  
Signature of Member or Authorized Signatory

## ENDORSEMENT

### ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.:

State Issued:

#### LEGAL DESCRIPTION ENDORSEMENT

ATG insures the insured against actual loss or damage sustained by the insured by reason of any inaccuracy in the following assurance:

The land described in Schedule A, and the land described in the mortgage, trust deed, or deed of conveyance, are legally identical to the land described in Schedule A despite differences in the language employed in the description of the land.

This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Member No.

\_\_\_\_\_  
Signature of Member or Authorized Signatory

## ENDORSEMENT

 ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.:

State Issued:

### STANDARD EXCEPTION WAIVER ENDORSEMENT

Standard Exceptions 1-5 have been deleted.

This endorsement is issued as part of the policy. Except as it expressly states, it does not: (i) modify any of the terms and provisions of the policy; (ii) modify any prior endorsements; (iii) extend the Date of Policy; or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Member No.

\_\_\_\_\_  
Signature of Member or Authorized Signatory

## ENDORSEMENT

 ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.:

State Issued:

### **SURVEY ENDORSEMENT (ALTA 25-06)**

ATG® insures the insured against loss or damage sustained by the insured by reason of the failure of the Land as described in Schedule A to be the same as that identified on the survey made by \_\_\_\_\_, dated \_\_\_\_\_, and designated as Job/Order No. \_\_\_\_\_.

This endorsement is issued as part of the policy. Except as it expressly states, it does not: (i) modify any of the terms and provisions of the policy; (ii) modify any prior endorsements; (iii) extend the Date of Policy; or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Member No.

\_\_\_\_\_  
Signature of Member or Authorized Signatory

## ENDORSEMENT

 ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.:

State Issued:

### ZONING – COMPLETED STRUCTURE ENDORSEMENT (ALTA 3.1-06)

1. ATG® insures against loss or damage sustained by the Insured in the event that, at Date of Policy:
  - a. according to applicable zoning ordinances and amendments, the Land is not classified Zone \_\_\_\_\_;
  - b. the following use or uses are not allowed under that classification:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_;
  - c. There shall be no liability under paragraph 1.b. if the use or uses are not allowed as the result of any lack of compliance with any conditions, restrictions, or requirements contained in the zoning ordinances and amendments, including but not limited to the failure to secure necessary consents or authorizations as a prerequisite to the use or uses. This paragraph 1.c. does not modify or limit the coverage provided in Covered Risk 5.
2. ATG further insures against loss or damage sustained by the Insured by reason of a final decree of a court of competent jurisdiction:
  - a. prohibiting the use of the Land, with any existing structure, as insured in paragraph 1.b.; or
  - b. requiring the removal or alteration of the structure on the basis that, at Date of Policy, the zoning ordinances and amendments have been violated with respect to any of the following matters:
    - i. area, width, or depth of the Land as a building site for the structure;
    - ii. floor space area of the structure;
    - iii. setback of the structure from the property lines of the Land;
    - iv. height of the structure; or
    - v. number of parking spaces.
3. There shall be no liability under this endorsement based on:
  - a. the invalidity of the zoning ordinances and amendments until after a final decree of a court of competent jurisdiction adjudicating the invalidity, the effect of which is to prohibit the use or uses;
  - b. the refusal of any person to purchase, lease, or lend money on the Title covered by this policy.

This endorsement is issued as part of the policy. Except as it expressly states, it does not: (i) modify any of the terms and provisions of the policy; (ii) modify any prior endorsements; (iii) extend the Date of Policy; or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Member No.

\_\_\_\_\_  
Signature of Member or Authorized Signatory