

ANATOMY OF AN OWNERS POLICY

THE OWNERS POLICY CONSISTS OF TWO PARTS:

1. A policy jacket which contains:
 - a. Covered Risks;
 - b. Exclusions from Coverage; and
 - c. Conditions.
2. Insert pages which are segregated in two parts:
 - a. Schedule A
 - b. Schedule B

SCHEDULE A

Schedule A provides basic information regarding the transaction. The general information includes the following items:

- a. Policy number
- b. Effective date of policy
- c. Amount of insurance provided by the policy. This is usually the same as the purchase price.
- d. Name of insured/Owner's name(s)
- e. Describes the type of estate or interest being insured. This is usually fee simple but can be leasehold or other forms of ownership.
- f. Indicates the record owner(s) of the interest being insured.
- g. Identifies the insuring instrument, typically a deed or a lease.
- h. Describes the land being insured. In some cases the property is described by an attachment to the policy.

SCHEDULE B

In Schedule B, the title insurer sets forth **Exceptions From Coverage** (specific defects, liens, or encumbrances) which are applicable to the title being insured and that were discovered in the course of the title search.

Typical Schedule B **Exceptions** may include, but are not limited to:

- a. Special Exceptions: The mortgage, if any, referred to in Item 4 of Schedule A
- b. Taxes, dues and assessments for the current year, not yet due and payable
- c. Restrictive covenants
- d. Easements and/or rights of way
- e. Survey matters
- f. Marital rights of non-owning spouse

Typical Schedule B **Exclusions** from coverage may include, but are not limited to:

- a. Governmental regulations
- b. Any matters referred to in the policy jacket, including, but not limited to, any which have been suffered, assumed or agreed to by the owner.