

Title Insurance Endorsements

Title insurance policies are the same as other types of insurance. There are numerous levels of coverage and many types of policies which have various levels of protection and numerous names. “Standard” is the name used most commonly for the basic, or lowest level of coverage. The most frequently used owner occupant policy is generically referred to as “homeowners”. The most comprehensive policy is called “extended” or “ALTA”. This is a coverage that is preferred by lenders and commercial owners.

When the preprinted form of protection does not satisfy the title insurance needs of a customer, additional coverages in the form of endorsements can be requested. There are three title insurance organizations that maintain lists of the most common endorsements, the American Land Title Association, the California Land Title Association, and the Land Title Association of Arizona – A.L.T.A., C.L.T.A., and L.T.A.A. Clients often can recite the specific endorsement number from one of the organizations, or they ask for an endorsement by name, such as an environmental endorsement. Special endorsements may be requested that are not listed. Then, the title company must make an underwriting decision to issue it.

Some endorsements are added to the title policy at no cost, some are subject to a modest charge, such as \$75.00, while others cost thousands of dollars.

The following is a sampling of some commonly requested endorsements:

<u>Endorsement</u>	<u>Protection It Gives</u>	<u>Approximate Cost</u>
Restrictions	Insures against loss due to violation of restrictions, CC&Rs, encroachments and exercise of surface rights	\$75.00
Improvement	Provides assurance to a lender as to the nature of improvements and street address	\$75.00
Foundation	Provides assurance that the foundation is within the limits of the property and that said location does not violate CC&Rs	\$75.00 to \$750.00
Creditor’s Rights	Insures against loss by lender by virtue of federal bankruptcy, state insolvency, and other creditor’s rights laws	\$75.00



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Patent	Insures rights reserved in the patent will not affect owner's use	\$100.00
Separate Tax Parcels	Insures that land is separately assessed	\$75.00
Deletions/ Amendments	Changes the basic form of the policy to add coverage or delete exceptions	Varies
Zoning	Insurance against zoning violations – Vacant \$100.00 to \$1,000 Completed Structure - \$100.00 to \$1,000 Requires letter from governing body as to zoning	
Environmental	Protects against environmental liens taking priority over lender's interest	\$125.00
Surface rights	Protects against other's water rights effecting owner's use of property	\$75.00
Street Access	Guarantees access to a particular street May require ALTA survey	\$75.00
Contiguity	Guarantees parcels are contiguous	\$75.00.
Survey	Insures the legal description and any physical matters that may not be recorded but effect property use such as encroachments or set back violations. Requires ALTA survey.	\$75.00

