



First Title

Innovation • Information • Insurance

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A Member of **FAF**International

This material is intended to provide general information only. For specific coverage conditions and exclusions, refer to the policy. Copies are available upon request. Premium is payable in full when the policy is issued. Some products/services may vary by state. Prices and products offered are subject to change without notice.

ABN: 64 075 279 908 AFSLN: 263 876

FTCB09

Example Policies

Unknown risks are risks that are not identified during the Conveyancing transaction before settlement but may arise during property ownership and cause financial loss to the owner. 'Known risks' are any risks disclosed by the vendor or otherwise discovered by you or the purchaser prior to settlement. If there are no known risks evident a policy will be issued for 'clean title'

UNKNOWN RISKS EXAMPLES

Insurance instead of obtaining a survey

Purchase Price: \$450,000

Reason for policy: The purchasers did not want to obtain a survey and so in lieu, took out a **Home Owners GOLD** policy. The policy provides for coverage against any loss arising which could otherwise have been shown had a survey been obtained, and gave the purchasers peace of mind.

Insuring against Building Certificate issues

Purchase Price: \$580,000

Reason for policy: The vendors disclosed that some building work had been carried out. The purchasers did not want to obtain a Building Certificate, as they did not want to bear the costs of a work order - in the event the building work was illegal. They were not planning a renovation and purchased a **Home Owners GOLD** to protect them.

KNOWN RISKS EXAMPLES

Garage converted to rumpus room and carport built without Council approval

Purchase Price: \$327,000

Reason for enquiry: The vendor had converted the garage into a rumpus room and constructed a carport within the building line restriction without Council approval. The purchaser purchased a **Home Owners GOLD** policy to insure against the risk that the Council would later order the insured to rectify or demolish the illegal structures.

Zoning prevents residential use

Purchase Price: \$960,000

Reason for enquiry: The vendor had converted a rural barn into a dwelling some years earlier. The zoning at the time permitted the barn to be converted to residential use. The Council subsequently changed the zoning so that residential use was no longer allowed. The purchaser took out insurance, as there were existing use rights and wanted protection if this was later challenged.

FAQ'S - Frequently Asked Questions

Why should I recommend Title Insurance when the Torrens Compensation fund provides protection for purchasers?

First Title's Home Owners GOLD Title Insurance offers greater protection than the statutory compensation scheme and is a policy of 'first resort', obviating the need for your client to bring a claim at their own cost against any party at fault.

How do you indemnify my business, what is the subrogation waiver and how does it protect my business?

As has been the case elsewhere in the world, regular use of our insurance policies by Conveyancing Practitioners should enable a general reduction in professional indemnity liability claims. Of course, this would not happen if we recovered losses paid to insured owners and lenders from the profession.

Accordingly, we are willing to waive our right to claim against you or your firm for money paid to our insured client where the claim has arisen as a result of negligence by you.

Do I have to accept and disclose the "Report on Title Fee" to my clients?

The Report on Title Fee is optional. If you do opt to receive the fee then it must be disclosed to your clients. **First Title** respects Conveyancing Practitioners right to choose whether to opt out of this option as an income to your business, however, we would encourage you to consider that you are providing a 'Report on Title', which utilises your experience as a Conveyancing Practitioner.

Why should I order the policy prior to settlement?

There are certain risks that are covered during the settlement period; for example; Gap Coverage, and by ensuring that your client has a policy in place prior to the settlement, we can ensure that any risks during this time are protected against.

Home Owners GOLD can also be used to provide cover over certain property inquiries where time or cost issues mean those inquiries cannot be carried out.

What should I do if I identify a risk before settlement after ordering a Home Owners GOLD policy?

Let us know as soon as possible. In most cases, we'll be able to underwrite the policy as a "known risk" policy, which attracts an additional premium; however, the clients will be protected against the uncovered or disclosed risk.

Customer Service: 1300 362 178, **Email:** info@firsttitle.com.au or visit our **Website** on www.firsttitle.com.au

Integrate First Title into your Risk Management Practices

At First Title, we pride ourselves on partnering with Conveyancers and Solicitors to provide the most comprehensive coverage and effective process for you and your clients.

We work with you to implement our range of Title Protection policies into your current conveyancing process, providing training (initial and ongoing) support tools and brochures for your clients, and finally, but most importantly, Customer Service phone support direct to your clients where required.

To enhance your current processes, we offer 3 options for ordering a **Home Owners GOLD** policy for your client.

Online Ordering Policy is issued immediately and available to print together with Policy Schedule and Invoice. When you register for Online Ordering, we will send you a stock of Policy Packs. Simply print the Policy Schedule and Invoice and insert into the Policy Pack and provide to your client.

Fax: Customer Service will provide confirmation by email within 24 hours, together with Policy Schedule, Invoice and Policy Terms & Conditions. (Except for Known Risks).

Email: Customer Service will provide confirmation by email within 24 hours, together with Policy Schedule, Invoice and Policy Terms & Conditions. (Except for Known Risks).

To get started, simply contact our Business Development Team on 1300 362 178, or Email: info@firsttitle.com.au for further information.

Choose First Title, your First Choice for superior protection for you and your clients!

Home Owners GOLD Title Insurance

Protecting
Home Ownership
– The simple way



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About *First Title*

First Title is part of the First American Group of Companies.

In Australia, First American specialises in streamlining and protecting real estate transactions with innovative products and market leading services. The First American Corporation, established in the U.S in 1889, has over 100 years experience in identifying customer needs, building tailored business solutions and delivering the most consistent, personalised service.

The First American Corporation

The First American Corporation (NYSE: FAF) is a FORTUNE 500® company who today operates in over 16 countries and as a market leader in a number of different industries, including mortgage processing, title insurance, specialty insurance, mortgage information, property information and business solutions.

In Australia and New Zealand, First American Title Insurance Company of Australia (*First Title*) has issued over 300,000 policies and paid more than A\$8 million in claims. *First Title* has operated in Australia for over 10 years, is a registered company with ASIC, holds an Australian Financial Services licence and is regulated by APRA. *First Title* is a Member of the Financial Ombudsman Service, a dispute resolution service for consumers.



About Home Owners GOLD

First Title works closely with Conveyancing Practitioners to understand your business and assist to strengthen your risk management systems.

First Title has developed products which protect not only your client, but your business. We are proud to provide exceptional coverage across our suite of products such as **Home Owners GOLD** for purchasers or existing property owners, exclusive access to our SAFE SEARCH policy and Property Owners Policy for Commercial Properties.

In addition to this protection, to recompense you for providing your 'Report on Title' when ordering a **Home Owners GOLD** policy, *First Title* provides a \$75.00 "Report on Title Fee" for the completion and payment of each policy ordered.

You may choose to accept this fee as an income to your business to reimburse you for time spent in ordering the policy, add to your team's professional development funding, pay your Association fees or Professional Indemnity Insurance premiums, or simply provide back to your client.

The choice is yours.

A *First Title* Home Owners GOLD policy is the right choice for you and your customers, offering:

- **Extensive and comprehensive coverage**
- **Easy online ordering process using *First Title's* eTitle portal**
- **Client support through our experienced Customer Service Team**
- **Competitive pricing**
- **NO EXCESS payable on a claim**
- **"Report on Title" Fee**
- **The financial backing of one of the world's largest Title Insurance Companies**



Protection against risks.... That aren't worth taking

First Title's Home Owners GOLD policy provides a lifetime of ownership protection and comfort in knowing that your client has coverage against the following risks that could cause stress and financial loss in the future, such as:

- Illegal building work that could result in the council ordering your client to demolish or repair part of or all of his/her new home;
- Someone else claiming an interest in your client's land, which can occur between settlement and registration, which we call 'gap cover';
- Fraud or forgery resulting in a challenge to your client's ownership;
- Fraud or forgery resulting in your client's home being mortgaged without his/ her knowledge;
- Any issue that would have been revealed in an up to date survey, with NO LIMITATION as to boundary walls or fences;
- Zoning issues which prevent your client from residing in his/her house;
- Outstanding rates and taxes on the property which your client becomes liable for as owner of the property.

Traditionally, if you, as the Conveyancing Practitioner, identified a risk that affects a property the purchaser only had the choice to either withdraw from the purchase, ask you to try and fix the problem, or proceed and accept the consequences if the risk becomes a real problem.

As an experienced Conveyancing Practitioner, you know that it is not uncommon for vendors to misrepresent information about their home during the sale process. This can often just be innocent misrepresentation where the vendor does not realise it has to give the purchaser important information about the condition of the house and work that has been done to it. Unfortunately misrepresentation can sometimes be dishonest.

There is nothing that a good conveyancing professional can do to protect a purchaser from innocent or intentional misrepresentation and this is where Title Insurance can protect both your business and more importantly, your client.

Claims Chronicles

Home Owners GOLD covers a range of risks, including illegal building works, loss arising from anything that a survey would have shown and risks covered relating to ownership and use of the insured's property.

Detailed below is a selection of actual claims that demonstrate the wide ranging protection that **Home Owners GOLD** brings to Australian property purchasers.

The Insured purchased their new home. Some time after they moved in, work was being carried out on the adjoining property when the insured experienced problems with their sewer. After making enquiries with Sydney Water, the problem quickly rose to the surface! It was discovered that the plumbing and drainage work carried out on the insureds' property was completed without inspection and approval by Sydney Water.

When the property was purchased, the property formed part of a larger property that had recently been subdivided. The sewerage diagram attached to the contract did not disclose any issues, although it related to the original property before subdivision. When the property was subdivided, the plumbing work in connecting the sewer to the subdivided property was carried without inspection and did not meet Sydney Water's requirements.

Action

First Title organised for all the plumbing work necessary to make the sewer line compliant and for Sydney Water to issue a new Sewerage Services Diagram, bearing all costs associated with this.

The Insured purchased a rural property as a weekend retreat. They did not have a survey carried out, relying instead on the coverage and protection afforded pursuant to the **Home Owners GOLD** policy. There was nothing to indicate there were any boundary issues during the purchase process. After they bought the property, their neighbour asserted that he owned part of their land. The neighbour gained entry to their land and graded a road through their property to one of his blocks of land. He also fenced off part of their property claiming he owned part of their land.

Action

Pursuant to the terms of the Policy, *First Title* accepted the insured's claim and instructed a fresh survey to be carried out on the property in order to determine boundary lines. Under the policy, *First Title* met all legal costs under the Duty to Defend and assisted insured in resolving the problem.