



# Property Risk Insurance - Commercial Property

Purchasers and Owners of commercial property can protect the use and ownership of property by purchasing a **First Title** Commercial Owners GOLD or Existing Commercial Owners GOLD policy. The policy protects against unknown risks that could create loss in the future or “known risks”; that is, where you are aware of an existing risk relating to the ownership or use of the property.

## Why is there a need for Commercial Property Risk Insurance?

- Even the most thorough conveyancing process cannot discover all potential risks; **First Title** provides protection against any unknown risks that may arise after settlement
- To insure risks identified during due diligence, using **First Title**'s specialised “Known Risk” cover
- To replace warranties and representations as to title that a liquidator is unlikely to provide when selling an insolvent company's assets
- To provide unlimited legal coverage where a claim is made against a covered risk

**First Title**'s Commercial policies provide a range of features and benefits that include a once-off premium, no excess, lifetime of ownership protection, and comfort in knowing that you have coverage against risks such as:

**Illegal or Unapproved Building Works** - loss caused by an illegal addition. For example, a mezzanine level or the construction of a machinery shed.

**Title or Mortgage Fraud** - loss caused by fraud or forgery.

**Access & Zoning issues** - loss of access to the property or breach of zoning laws.

**Registration Gap** - where a purchaser cannot register their interest due to an adverse interest being lodged in the registration gap.

**Boundary Problems** - loss caused by encroachment issues that would have been revealed by a survey.

**Easement Problems** - loss caused by the violation of an unknown or unregistered easement.

**First Title**'s Insurance coverage can be provided for most types of commercial property - including industrial, retail, office, hotels, vacant land, development sites and more.

Choose **First Title** to protect your commercial property ownership. For more information, please speak to your Conveyancing Practitioner or **First Title** representative. Alternatively call **First Title**'s Customer Service Team on 1300 362 178.

  
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The following examples are real life Title Insurance claims where **First Title** insured the lender. They highlight the risks apparent in commercial transactions and **First Title** would have covered the owner for the risks presented below.

## Survey Coverage:

The Insured was in the process of selling a commercial property when it became apparent that the original survey plans incorrectly failed to include an outdoor area. The Surveyor admitted that he made an error in carrying out the survey report. Meanwhile the Body Corporate also claimed the same outdoor area as part of the common property.

**First Title** took carriage of the matter on behalf of the Insured and negotiated to remedy the situation, which involved obtaining the local council's consent and re-submitted the amended plans to the Land Titles Office. Once the error was rectified, the commercial property was successfully sold with minimal loss to the Insured.

## Fraud Coverage:

**First Title's** participation in a high profile fraud case involves fraud against a commercial property title.

The fraudster impersonated the owner and mortgaged the Property. **First Title's** duty to defend was triggered under the policy. **First Title** took over carriage of the legal proceedings from the Insured and paid all legal costs incurred in the protracted litigation which were in excess of one million dollars.

## About First Title

Coverage is provided by First American Title Insurance Company of Australia Pty Limited trading as **First Title**, an Australian general insurance company authorised by Australian Regulation Prudential Authority, and afforded an Australian Financial Services Licence.

**First Title** is part of FAF International, the international services division of the First American Financial Corporation, a company listed on the New York Stock Exchange (FAF) tracing it's history back to 1889 and provides Title Insurance products and services in over 80 countries.

**First Title** has a dedicated and experienced commercial title insurance Underwriting Team, and works with the Property Industry to provide solutions and protection to Property Purchasers and Owners across Australia.

	Purchaser Commercial Owners GOLD	Existing Commercial Owner GOLD	All Commercial Owner GOLD
<b>Purchase Price / Property Value</b>	<b>Clean Title Premium</b>		<b>Known Risk Premium</b>
\$0-\$500k	\$350.00	\$450.00	Pricing On Application only
>\$500k - \$750k	\$500.00	\$600.00	due to the complex nature
>\$750k - \$1M	\$650.00	\$750.00	of commercial property
>\$1m	On Application	On Application	due diligence

Premium Effective Date 01 APR 2012

(Excluding GST and Stamp Duty)