



Property Risk Insurance - Existing Owner

Property owners can protect against risks relating to use and ownership of a property by purchasing a **First Title Home Owners GOLD** or **Strata Owners GOLD** existing owner policy that is specifically tailored for a current home owner or residential property investor. The policy can protect 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 use and ownership of your property.

First Title's Home Owners GOLD and **Strata Owners GOLD** policies for existing home owners and residential property investors provide a range of features and benefits that include a once-off premium, no excess, lifetime of ownership protection, and the comfort in knowing that you have coverage against a range of risks. We provide some examples below:

Fraud or Forgery resulting in a challenge to or loss of your ownership, or your home being mortgaged without your knowledge. See *Spotlight on Property Fraud* over page.

Encroachments where a garden shed or fence encroaches onto an adjoining property. Without a survey, owners are unable to confirm if all boundaries are in the correct position.

Illegal or Unapproved Structures that could result in the Council ordering you to demolish or repair part or all of your home. Decks, pergolas and carports are key examples.

Breach of easement such as a swimming pool, or other structures built over a sewer line without permission.

Legal Risks covering zoning, adverse possession and unregistered interest issues.

A **Home Owners GOLD** existing owner policy attracts a 'once-off' premium. For example, a property valued up to \$500,000 will attract a once-off premium of \$400.00 (excluding GST & Stamp Duty) or the equivalent of \$4.76 a month (assuming average ownership of 7 years). Premiums for the **Strata Owners GOLD** existing owner policy begin at \$325.00 (excluding GST & Stamp Duty) for a property valued up to \$500,000.

You can purchase your **Home Owners GOLD** or **Strata Owners GOLD** existing owner policy at any time during your ownership of the property through your Conveyancing Practitioner, Authorised **First Title** representative or directly from **First Title** by calling our Customer Service Team on 1300 362 178.

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


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The following are actual claims examples and illustrate how **First Title** protects home owners.

Claim 1. The Painful Pergola

Two years after settlement, the Insured decided to rent his property. In the course of tidying the property for rental, the Insured discovered that the pergola had not been approved by Council when he received notification from the Council foreshadowing the issuance of a demolition order.

Action : First Title accepted the claim and obtained quotes to build a new pergola. **First Title** paid the costs associated with the demolition of the existing pergola and the construction of a new pergola in its place in accordance with Council approvals.

Claim 2. Pushing The Boundary

A couple purchased a property without needing a mortgage. They purchased a **Home Owners GOLD** policy to protect their interest in the property instead of obtaining a survey. Because there was no survey undertaken, the couple did not know that the dwelling was constructed without reference to the correct boundaries of the site. As a result, one wall of the dwelling (front with veranda) encroached over the boundary onto a council reserve and because of this, an incorrect boundary line was taken by the previous owners.

The couple subsequently applied for finance however the lender required a valuation on the property. The valuer discovered the encroachment and the lender declined the loan application.

Action : Pursuant to the terms of the Policy, **First Title** accepted the Insureds' claim and instructed its external solicitors to liaise with the Council and obtain a resolution to the problem. **First Title's** lawyers raised "existing use rights" with the Council and negotiated an easement to ensure the Insureds' interest is protected so the lender could consider the couple's loan application. Under the duty to defend coverage, **First Title** paid all legal costs in negotiations with the Council to find a resolution.

Spotlight on Property Fraud

A Perth property owner was the victim of a scam involving fraudsters who sold his investment property for almost \$500,000 without his knowledge. It appears that the fraud was perpetrated by using duplicate title deeds. Property Industry professionals agree that this would be a relatively straightforward process if you know how and have the inclination!

The property owner is now left in the position of having suffered a significant loss. Under Australian law, if the property has been sold to a bona fide purchaser then it is unlikely for the property to be returned. The property owners' only option is to seek recovery from any potential third parties at fault before any State Compensation Scheme is likely to entertain a claim. This could involve lengthy and costly proceedings.

If the property owner had been insured under **First Title's Home Owners GOLD** or **Strata Owners GOLD** existing owner policy, they would have had protection against the fraud. Under the policy, **First Title** has an obligation to defend an Insured's interest, which could extend to taking legal steps to recover the Insured's property. Failing the ability to recover the home, we would indemnify the Insured for their loss – the payout essentially being the value of the home.

Property Value	Strata Owners GOLD (Existing)		Home Owners GOLD (Existing)	
	Clean Title Premium	Known Risk Premium	Clean Title Premium	Known Risk Premium
\$0-\$500k	\$325.00	\$450.00	\$400.00	\$525.00
>\$500k - \$750k	\$400.00	\$525.00	\$450.00	\$625.00
>\$750k - \$1M	\$475.00	\$575.00	\$625.00	\$750.00
>\$1m - \$1.25m	\$525.00	On Application	\$725.00	On Application
>\$1.25m - \$1.5m	\$600.00	On Application	\$900.00	On Application
>\$1.5m - \$1.75m	\$700.00	On Application	\$1,050.00	On Application
>\$1.75m - \$2m	\$800.00	On Application	\$1,200.00	On Application
>\$2m	On Application	On Application	On Application	On Application

Premium Effective Date: 01 APR 2012

(Excluding GST and Stamp Duty)