



UNDERWRITING BULLETIN

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Owners Policy Schedule B Exceptions”.

The lending community has largely adapted to having generalized exceptions in Schedule B of their lenders policy covering non-monetary matters such as easements, restrictions and reservations.

These generalized exceptions should not be used in an owners policy under any circumstances. You must have a full search for exceptions.

The default policy for residential properties in the CAR contract form is the CLTA/ALTA Homeowners Policy. If your transaction doesn't qualify for this policy (natural person, one-to-four units, etc.) and you use the ALTA Owners Policy in place of the CLTA Standard Owners Policy, be sure that there is a Part One to Schedule B, which reads:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

PART ONE:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.

PART TWO:

(here are the specific exceptions for the subject property)

The above five exceptions in Part One are sometimes referred to as the “regional exceptions”.

Intentional disregard of the matters contained in this Bulletin may cause any loss sustained under the terms of a policy to be allocated entirely to the Agent.