

**WFG NATIONAL TITLE INSURANCE COMPANY**

**TEXAS RESIDENTIAL OWNER'S POLICY OF TITLE INSURANCE  
ONE-TO-FOUR FAMILY RESIDENCES (T-1R)**

**OWNER'S INFORMATION SHEET**

<p>Your Title Insurance Policy is a legal contract between you and WFG National Title Insurance Company. This policy is not an opinion or report of your title. It is a contract of indemnity, meaning a promise to pay you or to take other action if you have a loss resulting from a covered title risk.</p> <p>It applies only to an improved one to-four family residential property or condominium unit. If your land is not either of these, contact us immediately.</p>	<p>Su Póliza de Seguro de Título es un contrato legal entre usted y WFG National Title Insurance Company. Esta póliza no es una opinión o reporte en relación a su título de propiedad. Es un contrato de indemnificación, esto es, la promesa de reembolsarle o de tomar cualquier otro tipo de acción si usted sufre una pérdida como resultado de cualquier riesgo cubierto por la póliza.</p> <p>Esta forma de póliza ha sido designada para ser utilizada exclusivamente en los casos de propiedades en las cuales hay construidas viviendas para no más de cuatro familias o en los casos de unidades en condominios. Si su propiedad no es ninguna de las anteriores, por favor, notifíquenos inmediatamente.</p>
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We insure you against certain risks to your land title. We list these risks on page 2. The following limit your coverage:

Exclusions on page 3;

Exceptions on Schedule B;

Conditions on pages 3 through 5.

You should keep the policy even if you transfer the title to your land. If you want to make a claim, see Section 3 under Conditions on page 3.

You do not owe any more premiums for the Policy.

This sheet is not your insurance Policy. It is only a brief outline of some of the important Policy features. The Policy explains in detail your rights and obligations and our rights and obligations. The Policy - and not this sheet - is the legal document. **YOU SHOULD READ THE POLICY VERY CAREFULLY.**

**THE TOLL-FREE NUMBER OF WFG NATIONAL TITLE INSURANCE COMPANY IS 1-800-257-2842. YOU MAY CALL THIS NUMBER TO DISCUSS THIS POLICY OR TO MAKE A COMPLAINT. YOU MAY WRITE TO WFG NATIONAL TITLE INSURANCE COMPANY AT THE ADDRESS IN SECTION 3 UNDER CONDITIONS ON PAGE 3.**



WFG NATIONAL TITLE INSURANCE COMPANY

Policy No. T1R-<Policy\_Number>

TEXAS RESIDENTIAL OWNER'S POLICY OF TITLE INSURANCE ONE-TO-FOUR-FAMILY RESIDENCES

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**OWNER'S COVERAGE STATEMENT**

This Policy insures your title to the land described in Schedule A – if that land is a one-to-four family residential property or condominium unit.

Your insurance, as described in this Coverage Statement, is effective on the Policy Date shown in Schedule A.

This document is title insurance. It is not an opinion or report of your title. It is a contract of indemnity, meaning a promise to pay you or take other action if you have a loss resulting from a covered title risk.

- Exclusions on page 3.
- Exceptions in Schedule B, page 7.
- Conditions on pages 3-5.

We insure you against actual loss resulting from:

- Any title risks covered by this Policy -- up to the Policy Amount, and
- Any costs, attorneys' fees and expenses we have to pay under this Policy. We must approve the attorney before the attorney begins to work. You have the right to disapprove our choice of attorney for reasonable cause.

**COVERED TITLE RISKS**

This Policy covers the following title risks subject to the Exceptions (p. 7) and Exclusions (p. 3), if they affect your title to the land on the Policy Date. We do not promise that there are no covered risks. We do insure you if there are covered title risks.

1. Someone else owns an interest in your title.
2. A document is invalid because of improper signature, acknowledgment, delivery, or recording.
3. A document is invalid because of forgery, fraud, duress, incompetency, incapacity or impersonation.
4. Restrictive covenants apply to your title.
5. There is a lien on your title because of:
  - a mortgage or deed of trust,
  - a judgment, tax, or special assessment, or
  - a charge by a homeowner's or condominium association.
6. There are liens on your title for labor and material which have their inception before the policy date. However, we will not cover liens for labor and material that you agreed to pay for.
7. Others have rights in your title arising out of leases, contracts or options.
8. Someone else has an easement on your land.
9. You do not have good and indefeasible title.
10. There are other defects in your title.
11. There are other liens or encumbrances on your title.

This Policy also covers the following title risk:

You do not have any legal right of access to and from the land.

**OUR DUTY TO DEFEND AGAINST COURT CASES**

We will defend your title in the part or parts of a court case involving a Title Risk covered by this Policy. We will pay the costs, attorneys' fees, and expenses that we incur in that defense. We will not pay for the parts of a case not involving a covered title risk. You may disapprove our choice of attorney for reasonable cause.

We can end this duty to defend your title by exercising any of our options listed in Item 4 of the Conditions, see page 4.

This Policy is not complete without Schedules A and B.

An authorized party also must countersign this policy.

**WFG NATIONAL TITLE INSURANCE COMPANY**

By: \_\_\_\_\_  
President

ATTEST: \_\_\_\_\_  
Secretary



By \_\_\_\_\_  
Authorized Signature

**EXCLUSIONS**

In addition to the Exceptions in Schedule B, we do not insure you against loss, costs, attorney's fees, and expenses resulting from these Exclusions:

1. We do not cover loss caused by the exercise of governmental police power or the enforcement or violation of any law or government regulation. This includes building and zoning ordinances and laws and regulations concerning:
  - a. Land use
  - b. Improvements on the land
  - c. Land division
  - d. Environmental protection

This exclusion does not apply to notices of violations or notices of enforcement that appear in the public records at Policy Date. However, there may be an Exception in Schedule B.
2. We do not cover the right to take the land by condemning it, unless:
  - a. a notice of exercise of the right appears in the public records on the Policy Date, or
  - b. the taking happened before the Policy Date and is binding on you if you bought the land without knowing of the taking.
3. We do not cover title risks:
  - a. that are created, allowed, or agreed to by you,
  - b. that are known to you, but not to us on the Policy Date unless they appeared in the public records,
  - c. that result in no loss to you, or
  - d. that first affect your title after the Policy Date -- this does not limit the labor and material lien coverage in Item 6 of the Covered Title Risks.
4. We do not cover the effect of failure to pay value for your title.
5. We do not cover lack of a right:
  - a. to any land outside the area specifically described and referred to in Item 3 of Schedule A.
  - b. in streets, alleys, or waterways that touch your land.

This exclusion does not limit the access coverage in the Covered Title Risks.
6. We do not cover any claim based upon allegations that your purchase of title (or acquisition of title by gift or otherwise):
  - a. was a fraudulent conveyance, fraudulent transfer, voidable distribution, or voidable dividend;
  - b. should be subordinated or recharacterized as a result of equitable subordination;
  - c. was a preferential transfer unless
    - (1) the Company or its issuing agent failed to timely file for record the deed to you after delivery or
    - (2) the recordation of the deed to you is not legal record notice.

(We do cover the two types of claims described in c. (1) and c. (2) above.)
7. We do not cover the refusal of any person to buy, lease or lend money on your land because of unmarketability of the title.
8. We do not cover claims concerning the physical condition of your land or of the access to your land.

**CONDITIONS**

1. **DEFINITIONS**
  - a. Actual Loss. This is the difference between the value of your land without the covered title risk and the value of your land with the covered title risk. These values are the respective values at the time you must furnish proof of your loss.
  - b. Document. A deed or other conveyance of title to you or a prior owner.
  - c. Easement. A portion of your land someone else has the right to use for a special purpose.
  - d. Government Regulation. Any federal, state, or local law, constitutional provision, regulation, ordinance, or guideline.
  - e. Land. The land or condominium unit described in Schedule A and any improvements on the land that are real property.
  - f. Knowledge or known. Actual knowledge, not constructive knowledge or notice that may be imputed to an insured by the public records.
  - g. Mortgage. A type of lien on the land such as a deed of trust or other security instrument.
  - h. Public Records. Those records required by Texas law and maintained by public officials in the county where the property is located that give legal notice of matters affecting your title.
  - i. Title. The ownership interest in the land, as shown in Schedule A.
  - j. We, us or our. The title insurance company. This is WFG National Title Insurance Company.
  - k. You, your. The insured.
2. **CONTINUATION OF COVERAGE**

We insure you as long as you:

  - a. own your Title,
  - b. own a mortgage from anyone who buys your Title, or
  - c. are liable for any Title warranties you make.

We insure your transferee or assignee only as follows:

  - a. a person who inherits the original named insured's title on the original named insured's death;

- b. the original named insured's spouse who receives title in a dissolution of marriage with the original named insured;
- c. the trustee or successor of a trust established by the original named insured to whom the original named insured transfers title after the date of policy; or
- d. the beneficiaries of a trust described by Subdivision © on the death of the original named insured.

3. **YOUR DUTIES IF YOU MAKE A CLAIM**

You must follow this process to make a claim:

a. **You Must Give Us Notice Of Your Claim.**

If anyone claims a right against your insured title, you must notify us promptly. Send the notice to the Company at WFG National Title Insurance Company, 12909 SW 68<sup>th</sup> Parkway, Suite 350, Portland, Oregon 97223, telephone number: (800) 257-2842 and ask for a claims attorney. If you initially notify us by phone, we recommend that you also notify us in writing. Please include the Policy number shown in Schedule A, and the county where the land is.

Our obligation to you is reduced or ended if:

- (1) you fail to give prompt notice, and
- (2) your failure affects our ability to dispose of or to defend you against the claim.

Our obligation is reduced only to the extent that your failure affects our ability to dispose of or to defend you against the claim.

b. **You Must Give Us Proof of Your Loss if We Request It.**

You must send to us, if we request, your signed proof of loss within 91 days of our request on a standard form supplied by us. Within 15 days after we receive your notice of claim, we must request a signed proof of loss. If not, we waive outright to require a proof of loss. This waiver will not waive our other rights under the policy. The statement must have the following information to the best of your knowledge:

- (1) the Covered Title Risks which resulted in your loss,
- (2) the dollar amount of your loss, and
- (3) the method you used to compute the amount of your loss.

c. **You Must Provide Papers We Request.**

We may require you to show us your records, checks, letters, contracts, and other papers that relate to your claim of loss. We may make copies of these papers. If you tell us this information is confidential, we will not disclose it to anyone else unless we reasonably believe the disclosure is necessary to administer the claim.

d. **You Must Answer Questions Under Oath.**

We may require you to answer questions under oath.

e. **Effect of Failure to Cooperate.**

Our obligation to you reduces or ends if you fail or refuse to:

- (1) (a) provide a statement of loss,
- (b) answer our questions under oath, or
- (c) show us the papers we request, and
- (2) your failure or refusal affects our ability to dispose of or to defend you against the claim.

4. **OUR CHOICES WHEN YOU NOTIFY US OF A CLAIM**

a. After we receive your claim notice or in any other way learn of a matter for which we are liable, we can do one or more of the following:

- (1) Pay the claim against your title.
- (2) Negotiate a settlement.
- (3) Prosecute or defend a court case related to the claim.
- (4) Pay you the amount required by this Policy.
- (5) Take other action under Section 4b.
- (6) Cancel this policy by paying the Policy Amount, then in force, and only those costs, attorneys' fees and expenses incurred up to that time that we are obligated to pay.

We can choose which of these to do.

b. If you report to us that a covered title risk exists, we will promptly investigate to determine if that covered title risk is valid and not barred by law or statute. A covered title risk is a title risk that this Policy does not exclude or except.

If we conclude that your claim, or any part of your claim, is covered by the policy, we will take one or more of the following actions to the extent that it is covered:

- (1) Institute all necessary legal proceedings to clear the title to the property;
- (2) Indemnify you pursuant to the terms of the policy;
- (3) Issue a new title policy without making exception to the covered title risk. If another insurer issues the new title policy to your purchaser, lender or other transferee without making exception to the covered title risk, we will indemnify the other insurer.
- (4) Secure a release of the covered title risk.

c. If we deny your claim, or any part of your claim, not more than 15 days after we deny the claim, we will:

- (1) notify you in writing, and
- (2) give you the reasons for denial of your claim in writing.

5. **HANDLING A CLAIM OR COURT CASE**

You must cooperate with us in handling any claim or court case and give us all relevant information.

We must repay you only for those settlement costs, attorneys' fees and expenses that we approve in advance.

When we defend or sue to clear your title, we have a right to choose the attorney. You have the right to disapprove our choice of attorney for reasonable cause. We can appeal any decision to the highest court. We do not have to pay your claim until your case is finally decided. We do not agree that the matter is a covered title risk by defending.

6. **LIMITATIONS OF OUR LIABILITY**

Our liability is limited by the following:

- a. We will pay up to your actual loss or the Policy Amount in force when the claim is made – whichever is less.
- b. If we remove the claim against your title with reasonable diligence or take other action under this policy after receiving notice of it, we will have no further liability for it.
- c. All payments we make under this policy – except for costs, attorneys' fees and expenses – will be subtracted from your Policy Amount.
- d. If the Covered Title Risk is an easement, we may pay an insured mortgage holder instead of paying you when a written agreement between you and the mortgage holder allows. If the claim involves another Covered Title Risk, we may pay the mortgage holder instead of paying you. The amount paid to the mortgage holder is considered a payment to you under your policy and will be subtracted from your policy amount.
- e. If you do anything to affect any right of recovery or defense you may have, we can subtract from our liability the amount by which you reduced the value of that right or defense. But we must add back to our liability any amount by which our expenses are reduced as a result of your action.

7. **TRANSFER OF YOUR RIGHTS**

When we settle a claim, we have all the rights you had against any person or property related to the claim. You must transfer these rights to us when we ask, and you must not do anything to affect these rights. You must let us use your name in enforcing these rights. We will not be liable to you if we do not pursue these rights or if we do not recover any amount that might be recoverable. With the money we recover from enforcing these rights, we will pay whatever part of your loss we have not paid. We have a right to keep what is left.

8. **ARBITRATION**

If it is permitted under Texas or federal law, you and we may agree to arbitration when you file a claim.

The arbitration may decide any matter in dispute between you and us.

Arbitration is one means of alternative dispute resolution. It may lessen the time and cost of claims settlement. You may wish to consider another form of mediation or use the court system. If you choose arbitration, you may give up some discovery rights and your right to sue.

The arbitration award may:

- a. include attorneys' fees if allowed by state law, and/or
- b. be entered as a judgment in the proper court.

The arbitration shall be under the Title Insurance Arbitration Rules of the American Arbitration Association. You may choose current Rules or Rules in existence on Policy Date.

The Law used in the arbitration is the law of the place where the property is located.

You can get a copy of the Rules from us.

9. **ENTIRE CONTRACT PROVISION**

This policy and any endorsements we attach are the entire contract between you and us. Any claim you make against us must be under this Policy and is subject to its terms.

## IMPORTANT NOTICE

To obtain information or make a complaint:

You may call WFG National Title Insurance Company's toll-free telephone number for information or to make a complaint at:

**1-800-257-2842**

You may also write to WFG National Title Insurance Company at:

**12909 SW 68<sup>th</sup> Parkway, Suite 350  
Portland, Oregon 97223**

You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights, or complaints at:

**1-800-252-3439**

You may write the Texas Department of Insurance:

P.O. Box 149104

Austin, TX 78714-9104

Fax: (512) 490-1007

Web: [www.tdi.texas.gov](http://www.tdi.texas.gov)

E-mail: [ConsumerProtection@tdi.texas.gov](mailto:ConsumerProtection@tdi.texas.gov)

### **PREMIUM OR CLAIM DISPUTES:**

Should you have a dispute concerning your premium or about a claim, you should contact the company first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

### **ATTACH THIS NOTICE TO YOUR POLICY:**

This notice is for information only and does not become a part or condition of the attached document.

## AVISO IMPORTANTE

Para obtener información o para presentar una queja:

Usted puede llamar al número de teléfono gratuito de WFG National Title Insurance Company's para obtener información o para presentar una queja al:

**1-800-257-2842**

Usted también puede escribir a WFG National Title Insurance Company:

**12909 SW 68<sup>th</sup> Parkway, Suite 350  
Portland, Oregon 97223**

Usted puede comunicarse con el Departamento de Seguros de Texas para obtener información sobre compañías, coberturas, derechos, o quejas al:

**1-800-252-3439**

Usted puede escribir al Departamento de Seguros de Texas a:

P.O. Box 149104

Austin, TX 78714-9104

Fax: (512) 490-1007

Sitio web: [www.tdi.texas.gov](http://www.tdi.texas.gov)

E-mail: [ConsumerProtection@tdi.texas.gov](mailto:ConsumerProtection@tdi.texas.gov)

### **DISPUTAS POR PRIMAS DE SEGUROS O RECLAMACIONES:**

Si tiene una disputa relacionada con su prima de seguro o con una reclamación, usted debe comunicarse con el la compañía primero. Si la disputa no es resuelta, puede comunicarse con el Departamento de Seguros de Texas.

### **ADJUNTE ESTE AVISO A SU PÓLIZA:**

Este aviso es solamente para propósitos informativos y no se convierte en parte o en condición del documento adjunto.