



# What is Owner's Extended **COVERAGE?**



The Owner's Policy of Title Insurance can be issued with Owner's Extended Coverage which provides additional protections for the Insured. This ties into the similar sections of the Real Estate Commission approved contract forms which deal with the type of policy requested by the Buyer.

Section 8.1.3 of the contract form explains the OEC coverage which allows the parties to choose whether it will be required and sets forth the party responsible for payment of the additional premium. The cost of the OEC can be split between the Buyer and Seller or shared equally.

## **The standard or general exceptions which may be deleted are:**

1. Any facts, rights, interests, or claims thereof, 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.
2. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
3. 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.
4. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the Public Records.

Land Title offers an "Owners' Extended Coverage" policy of title insurance for most residential transactions, which provides for the deletion of the standard exceptions.

The standard or general exceptions may be deleted, on

satisfaction of certain requirements such as (1) a final affidavit, signed by the Buyers and Sellers at the time of closing, stating that there are no liens and other unrecorded adverse matters, and (2) a new survey (for example, an improvement location certificate or improvement survey plat). A new survey may be required depending on the type of transaction and property being insured, and whether there is new or recent construction.

This policy includes inflation protection over the first five years of ownership, with the result that the liability amount automatically increases 10% each year for the first five anniversary dates of the policy at no additional charge to the Insured.

When Land Title closes the transaction and records the documents, the policy provides gap protection, insuring against any defects, liens, encumbrances, adverse claims, or other matters appearing in the public records between the effective date of the title commitment and the recording date of the documents.

There are some exceptions to providing Extended Coverage, so please contact your Land Title Account Manager for more information regarding a particular transaction.

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**Contact us today, for more information on how we can help you grow your business.**

## **Land Title Guarantee Company**

3033 East First Ave, Suite 600  
Denver, CO 80206  
Office: 303-321-1880

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## **Land Title Guarantee Company**

For a List of Office Locations  
Visit [www.ltgc.com/office](http://www.ltgc.com/office)