

OWNER'S

Extended Coverage

Title insurance is a necessity in every real estate transaction. An Owner's Title Policy (OTP) is issued to insure against any title defects in the past. The OTP insures that the property is marketable and protects against errors in public records, deeds, forgery, fraudulent releases or conveyances, and estate proceedings occurring prior to closing. Property owners have the option to obtain Owner's Extended Coverage (OEC) to increase their protection.

Option 1: Deletion of Standard Exceptions #1-4. Deletions provide additional coverage for item #3. An ILC or survey may be required to be submitted to the Underwriter and approved prior to closing, and exceptions may be made to any adverse matters.

Option 2: [Form 130](#). This endorsement provides coverage to the owner for:

1. Any unfiled lien for labor or material furnished for improvements on the land (except for any such lien arising out of construction contracted for or assumed by the Insured), provided construction of all improvements is completed at date of Policy;
2. Rights or claims of parties in possession of the principal dwelling.
3. The enforced removal of the principal dwelling on account of, at date of Policy:
 - (a) Any encroachment of said principal dwelling onto adjoining lands or onto any easement shown as an exception in Schedule B or onto any unrecorded subsurface easement.
 - (b) Any violation of building setback lines or covenants, conditions or restrictions referred to in Schedule B of the Policy.
 - (c) Any violation of any zoning ordinance if the land is used only for a single family residence.

STANDARD EXCEPTION	FORM 130	DELETIONS
1. Rights and claims of parties in possession not shown in the public records.	Covered on Final OTP	Deleted from final OTP
2. Easements or claims of easements not shown by the public records.	Covered on Final OTP	Deleted from final OTP
3. Discrepancies, conflicts and boundary lines, shortage in area, encroachments, and any facts in which a correct survey and inspection of the premises would disclose and which are not shown by public records.	Limits protection to the principal dwelling only (any single family residential structure)	Deleted from final OTP (Requires an ILC or Survey prior to closing)
4. Any lien or right to a lien, for services, labor or material hereto or hereafter furnished, imposed by law and not shown by the public records.	Covered on Final OTP	Deleted from final OTP

Per the Colorado Residential Contract section 8...

"Regardless of whether the contract requires OEC, the Title Insurance Commitment may not provide OEC or delete or insure over any or all of the standard exceptions for OEC. The Title Insurance Company may require a new Survey or new ILC... among other requirements."

As a buyer, you have the right to choose your level of coverage. Consult with your title professional on requirements needed to obtain your preferred insurance coverage.



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