

**EXHIBIT O
OWNER'S POLICY
COMPARISON OF 2006 AND 1970 ALTA POLICIES**

(Note: when using the description of a provision as “same” below, this is meant to describe provisions that are essentially the same in effect or similar even though wording may be different.)

2006	1970
Covered Risks	Covered Risks
Title being vested other than as stated.	Same.
Defect, lien or encumbrance on title, including by reason of forgery, fraud, undue influence, duress, incompetency, incapacity or impersonation; failure of entity to authorize, improper execution formalities; improper document creation by electronic means allowed by law; execution under invalid power of attorney; improper recording/indexing; defective judicial/administrative proceeding.	Same, except list of risks not included.
Lien of real estate taxes or assessments due but unpaid.	Not expressly included; subsumed in lack of priority.
Encroachments, encumbrance, violation, variation or adverse circumstance that would be disclosed by accurate survey. Encroachment includes encroachment of improvements on insured land onto adjoining property.	Not expressly included; was thought to be achieved by deleting the survey exception. Encroachments off of land possibly not covered because outside of insured land. See <i>Transamerica Title Ins. Co. v. Northwest Building Corp.</i> , 733 P.2d 431 (Wn. App. 1989).
Unmarketable title (including right to refuse to buy, lease or lend).	Unmarketable does not include refusal to lease or lend.
No right of access to insured land.	Same.
Violation or enforcement of laws (including those relating to building and zoning) restricting, regulating, prohibiting or relating to occupancy, use and enjoyment of the land, dimensions, subdivision, environmental protection or under exercise of police powers IF notice is recorded in public records (which includes district court for environmental liens).	Coverage was thought to be included through exception to exclusion from coverage.
Exercise of rights of eminent domain if notice recorded in public records.	Coverage was thought to be included through exception to exclusion from coverage.

<p>A taking that has occurred and is binding on rights of BFP.</p>	<p>Not expressly included; subsumed in title being vested other than as stated.</p>
<p>Title being vested other than as stated by reason of (i) avoidance of transfer of land constituting fraudulent conveyance or preference under bankruptcy or other creditor’s rights laws occurring BEFORE the transaction creating the lien of the insured mortgage; or (ii) insured mortgage constituting a preference because of untimely or improper recording.</p>	<p>Not addressed in 1970 policy and was subsumed in insuring clause 1 (title being vested other than as shown). Was exception to exclusion in 1992 policy. Clause (ii) is express new coverage in 2006 policy.</p>
<p>Any other defect or encumbrance on title or other matters included in covered risks that is created, attaches or is recorded in public records after date of policy but before recording of deed.</p>	<p>New express gap coverage.</p>
<p>Express statement that title co. will pay costs and attorney’s fees incurred in defense of insured matter to extent provided in conditions.</p>	
<p>Exclusions from Coverage</p>	<p>Exclusions from Coverage</p>
<p>Laws (including those relating to building and zoning) restricting, regulating, prohibiting or relating to occupancy, use and enjoyment of the land, dimensions, subdivision, environmental protection, or violations/enforcement thereof, or police powers (UNLESS covered under insuring clause, which covers if notice is recorded before date of policy).</p>	<p>Same.</p>
<p>Rights of eminent domain (UNLESS covered by insuring clause, which covers if notice is recorded before date of policy).</p>	<p>Same.</p>
<p>Defects, liens, encumbrances, adverse claims and other matters (i) created, suffered, assume or agreed to by the insured claimant; (ii) not known to the company, not recorded but known to the insured and not disclosed in writing; (iii) resulting in no loss or damage; (iv) attaching subsequent to date of policy (although this does not limit certain coverages that have post-policy elements); or (v) resulting in loss that would not have been sustained if insured had paid value for the insured estate.</p>	<p>Same.</p>

Claim under bankruptcy or other creditor's rights laws that the insured mortgage is a fraudulent conveyance or preference UNLESS covered under insuring clause (which covers such matters occurring before the insured vesting transaction).	1970 policy does not have creditor's rights exclusion; this was one of the main objections to the 1992 policy (although insurers believe these matters were not covered under 1970 policy in any event). With 2006 policy, would need to request endorsement to delete creditor's rights exclusion. This is frequently available for routine purchase transactions.
Lien for taxes and assessments imposed between date of policy and recording of insured deed.	Not in 1970 policy; added as exception to new gap coverage in 2006 policy.
Schedule A	Schedule A
Same.	Same.
Schedule B	Schedule B
Same.	Same.
Conditions	Conditions
New definitions included for Amount of Insurance, Date of Policy, Entity, Title.	
Expanded definition of Insured, including successors in interest by operation of law (e.g., heirs & devisees) (same); holder of transferable electronic record; successors of entity conversions, dissolutions, mergers, reorganizations; grantee under deed given without consideration to affiliates and subsidiaries (intended to eliminate Fairway issue). (Note: all defenses are preserved against other insureds.)	Only includes successors by operation of law. Need to endorse to voluntarily transfer to subsidiaries or trusts.
Continuation of Insurance.	Similar.
Notice of claim: insured to give prompt notice of litigation, knowledge of claim or rejection of title as unmarketable. Coverage is reduced to extent that failure to give prompt notice prejudices title co.	Equivalent.
Proof of loss; duty to cooperate: Specifies details for proof of loss; includes duty to make books and records available; requires insured claimant to submit to examination under oath. Ninety day period deleted but cooperation is more onerous on insured than 1970 policy.	Includes requirement to give proof of loss within 90 days after loss is determined. Details on proof and cooperation not included.
Defense/prosecution of actions.	Equivalent.

Option or pay or settle.	Equivalent.
Extent of liability: includes new provision that if title co. defends/prosecutes and is unsuccessful, amount of insurance is increased by 10% or insured has right to have loss determined either as of date or claim or date settled and paid.	Equivalent, except does not include bump up in damages if title co. does not settle and unsuccessfully pursues litigation. (Note: does not include co-insurance provision in 1992 policy.)
Limitation on liability, reduction in insurance, termination of liability.	Equivalent.
Payment of loss within 30 days after definitely fixed.	Same.
Amount of insurance reduced by amounts paid to insured mortgagee.	Same.
Not included.	Apportionment: If policy covers more than one parcel and loss affects less than all, title co. can pay on pro rata basis unless agreed value for each parcel established by endorsement at date of policy.
Title co. rights of recovery after settlement and payment: title co. has subrogation rights but cannot exercise until insured has recovered its losses.	Similar.
Arbitration: requires arbitration under ALTA rules for policies of \$2 million or less. (AAA dropped its rules for title insurance disputes.)	Arbitration not included in 1970 policy and was objectionable feature for many lenders under 1992 policies (although only for policies of \$1 million or less, which eliminated most commercial policies). Endorsement can be requested to delete arbitration requirement.
Policy is entire contract: provides for incorporation of endorsements (which don't modify policy, extend date or increase amount unless expressed) so this language won't appear in endorsements.	
Choice of law and forum is state where land is located.	Not included.

Reminders When Using 2006 Owner's Policy:

- You need to request deletion of creditor's rights exclusion and affirmatively insure creditor's rights risk through ALTA Endorsement 21-06.
- You need to request deletion of arbitration condition if policy is \$2 million or less.

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