

Earning Your Trust

Since 1907

ABOUT OLD REPUBLIC TITLE

Founded in 1907, Old Republic Title has been protecting residential and commercial property owners with title insurance, real estate settlement products and related services for over a century. The Company is one of the largest title insurance companies in the nation, offering title insurance policies in 49 states, plus the District of Columbia. Backed by Old Republic International Corporation, a Fortune 500 corporation, the Company has a reputation for exceptional service, financial strength and stability. Since 1992, no other title insurer has had higher overall financial strength ratings than Old Republic Title.

PRODUCTS & SERVICES

Old Republic Title® has the knowledge, experience and depth of resources to handle your title insurance and real estate settlement transaction from start to finish. Whether you are looking for a single product or service, or a bundled offering, you can find it with Old Republic Title. Along with exceptional customer service, we offer the following products and services*:

- Title Insurance
- Real Estate and Mortgage Loan Settlement Services
- Mortgage Servicer Solutions
- Default Management Services
- Real Estate Information Services
- Real Estate Appraisals
- Automated Valuation Models
- Flood Reports
- Section 1031 Exchanges
- Home Warranty
- Notary Services
- Relocation Services
- Document Recording
- Commercial Real Estate Site Management
- Timeshare/Fractional Interest Services
- National Commercial Title Services
- Residential Information Services

* Provided by Old Republic Title or an affiliated company.

OLD REPUBLIC TITLE QUICK FACTS

CORPORATE HEADQUARTERS:

Tampa, Florida



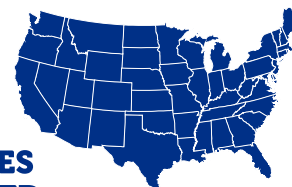
NUMBER OF EMPLOYEES

Approximately 4,500



STATES SERVED:

49, plus the District of Columbia



FOUNDED:

1907



NUMBER OF AGENTS:

Approximately 8,000



PARENT CORPORATION:

Old Republic International Corporation,
Chicago, Illinois (NYSE: ORI)



What is Title Insurance and How Does It Work?

To put it simply, title insurance is a way to protect yourself from financial loss and related legal expenses in the event there is a defect in title to your property that is covered by the policy. Title insurance differs from other types of insurance in that it focuses on risk prevention, rather than risk assumption. With title insurance, title examiners review the history of your property and seek to eliminate title issues before the purchase occurs. Title insurance also differs in that it comes with no monthly payment. It's just a one-time premium paid at closing.

Do I need Title Insurance?

Absolutely. Title insurance is a way to protect what is likely your largest investment—your home or land. An Owner's Policy provides peace of mind that your title company will stand behind you if a covered title issue or defect arises after you have bought your property.

What Does Title Insurance Cover?

Any number of title issues may arise, even after the most meticulous search of public records. These hidden defects are dangerous because you might not learn about them for months, or even years, after purchase.

How Much Does Title Insurance Cost?

The one-time premium is directly related to the value of your home. Typically, it is less expensive than your annual auto insurance. It is a one-time only expense, paid when you purchase your home. Yet it continues to provide complete coverage for as long as you or your heirs own the property.

What's Owner's Title Insurance?

An Owner's Policy is designed to protect you from covered title defects that existed prior to the issue date of your policy. If a valid claim is filed, your Owner's Policy, subject to its terms and conditions, will cover financial loss up to the face amount of your policy.

What's Lender's Title Insurance?

A Lender's Policy provides no coverage to the homeowner. A Lender's Policy insures that your lender has a valid, enforceable lien on your property. Most lenders require borrowers to purchase this type of insurance policy to protect their investment.

The Importance of an Owner's Title Insurance Policy

Do I need an Owner's Title Insurance Policy?

Most definitely! Title Insurance is a means of protecting yourself from financial loss in the event that problems develop regarding the rights to ownership of your property. There may be hidden title defects that even the most careful title search will not reveal. In addition to protection from financial loss, Title Insurance pays the cost of defending against any covered claim.

How will Owner's Title Insurance protect me?

Some common examples of problems covered by an Owner's Title Insurance Policy include:

- Improper execution of documents
- Mistakes in recording or indexing of legal documents
- Forgeries and fraud
- Undisclosed or missing heirs
- Unpaid taxes and assessments
- Unpaid judgments and liens
- Unreleased mortgages
- Mental incompetence of grantors on the deed
- Impersonation of the true owners of the land by fraudulent persons
- Refusal of potential purchaser to accept title based upon condition of title

What can make the Title to my home defective?

When you purchase your home, you take "title" to your property. Any number of problems that remain undisclosed after even the most meticulous search of public records can make a title defective. These hidden "defects" are dangerous indeed because you may not learn of them for many months or years. Yet they could force you to spend substantial sums on a legal defense and still result in the loss of your property.

Won't the Lender's Title Insurance Policy protect me?

No, there are two types of Title Insurance. Your lender likely will require that you purchase a Lender's Title Insurance Policy. This policy only insures that the lender has a valid, enforceable lien on the property. Most lenders require this type of insurance, and typically require the borrower to pay for it.

An Owner's Title Insurance Policy, on the other hand, is designed to protect you from title defects that existed prior to the issue date of your policy. Title troubles, such as improper estate proceedings or pending legal action, could put your equity at serious risk. If a valid claim is filed, in addition to financial loss up to the face amount of the policy, your Owner's Title Insurance Policy covers the full cost of any legal defense of your title.

Texas Enhanced Owner's Coverage (Residential)



For most people, your home is the single largest financial investment you will ever make. Obtaining a Residential Owner's Policy of Title Insurance (Residential Owner's Policy) protects that investment. At Old Republic National Title Insurance Company, we strive to provide our customers with the information necessary to make informed decisions about their Residential Owner's Policy. When you received your Commitment for Title Insurance, you also received a form asking if you would like to purchase additional coverages that enhance the standard coverage of your Residential Owner's Policy. The enhanced coverages for Texas are explained in more detail below.

AMENDMENT OF EXCEPTION TO AREA & BOUNDARIES*

Your standard Residential Owner's Policy will contain the following exception to coverage: "Any discrepancies, conflicts, or shortages in area or boundary lines, or any encroachments or protrusions, or any overlapping of improvements."

If you purchase this enhanced coverage, that means the paragraph above will be amended to read: "Shortages in area." You will be insured for loss, costs, and attorney's fees and expenses resulting from discrepancies, conflicts in boundary lines, encroachment, protrusions, or overlapping of improvements not shown on your survey and not known at the time of closing.

RESTRICTIONS, ENCROACHMENTS, MINERALS ENDORSEMENT (T-19.1)*

If you purchase this enhanced coverage, the T-19.1 endorsement will be attached to, and become part of, your Residential Owner's Policy. Amongst other covered matters, and unless otherwise deleted, the T-19.1 endorsement provides additional coverage for the following:

Restrictions: Unknown violations of enforceable restrictive covenants existing as of the date of your Residential Owner's Policy.

Texas Enhanced Owner's Coverage (Residential)

Encroachments: Encroachments of your improvements onto neighboring land or your neighbor's improvements encroaching onto your land which are not shown on your survey.

Minerals: Certain damages to the surface of your land resulting from the extraction or development of minerals.

HOW MUCH DOES IT COST?

The Amendment of Exception to Area & Boundaries is 5% of your basic title insurance premium, but not less than \$50.

The Restrictions, Encroachments and Minerals Endorsement (T-19.1) is 10% of your basic title insurance premium if purchased alone, but not less than \$50.

If BOTH coverages are purchased, then the cost of the Restrictions, Encroachments and Minerals Endorsement is reduced to only 5% of your basic title insurance premium. That means you receive both coverages for the price of one. Remember, the charges for enhanced coverages are one-time-only fees collected at closing. If purchased, the enhanced coverages last for as long as you or your heirs own your home – whether that is five years or 105 years!

Whether you are buying your first home or your fifth, we understand the closing process can be stressful. If there is anything we can do to make the process easier, please do not hesitate to contact your escrow officer.



***Don't Forget:** A satisfactory survey of the property is necessary to obtain the enhanced coverages discussed above. After receipt of the survey, Old Republic Title may make specific exceptions in your Residential Owner's Policy to matters shown on the survey or delete certain provisions of the T-19.1 endorsement. Consequently, it is important to understand that you will not have coverages for matters reflected on your current survey or matters known at the time of closing.

Top 10 Reminders for Title Insurance in Texas

IN TEXAS, TITLE INSURANCE IS REGULATED BY THE TEXAS DEPARTMENT OF INSURANCE (TDI).

Below are key facts regarding title insurance.

- 1** All rates and forms are promulgated by the TDI. Consequently, title companies compete on service, quality and financial strength – not on price.
- 2** A title policy is Old Republic Title's insuring product; it is not a guarantee or representation as to the status of title.
- 3** A title policy is simply a contract of indemnity. Indemnity means reimbursement for actual loss or damage.
- 4** The escrow officer is a neutral third party in the transaction.
- 5** Under current case law, the escrow officer owes a fiduciary duty to the buyer, seller and lender in the transaction. One party cannot be favored over another.
- 6** The Commitment is prepared for the benefit of the underwriter, not the parties to the transaction. However, the Commitment should always be circulated to all parties (including after any revisions).
- 7** Removing an exception from the Commitment or policy does not make the matter go away. It simply provides coverage under the terms of the policy for any alleged loss related to that matter.
- 8** When a seller warrants title to the property, he or she retains certain obligations after closing.
- 9** The owner's policy insures good and indefeasible title to the land described in Schedule A, which interest is equally subject to the Exceptions, Exclusions and Conditions.
- 10** The loan policy insures the validity, enforceability and priority of the subject deed of trust, which is subject to the Exceptions, Exclusions and Conditions.

BONUS: Under a title policy, the insurer (Old Republic Title) owes both a duty to indemnify the insured and a duty to defend the insured, but only in those cases within the policy's coverage.