

**POLICY OF TITLE INSURANCE (USA)**

ISSUED BY

\_\_\_\_\_ TITLE INSURANCE COMPANY

Policy Number \_\_\_\_\_ Amount \$ \_\_\_\_\_

\_\_\_\_\_, a \_\_\_\_\_ Corporation, herein called the Company, for a valuable consideration \_\_\_\_\_ Hereby Insures \_\_\_\_\_

**THE UNITED STATES OF AMERICA**

hereinafter called the Insured, against loss or damage not exceeding \_\_\_\_\_ Dollars, together with costs and expenses which the Company may become obligated to pay as provided in the Conditions and Stipulations hereof, which the Insured shall sustain by reason of:

any defect in or lien or encumbrance on the title to the estate or interest covered hereby in the land described or referred to in Schedule A, existing at the date hereof, not shown or referred to in Schedule B or excluded from coverage by the General Exceptions;

all subject, however, to the provisions of Schedules A and B and to the General Exceptions and to the Conditions and Stipulations hereto annexed; all as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, the effective date of this policy.

In Witness Whereof, \_\_\_\_\_ Title Insurance Company has caused its corporate name and seal to be hereunto affixed by its duly authorized officers.

Countersigned: \_\_\_\_\_ Title Insurance Company

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

\_\_\_\_\_ By \_\_\_\_\_  
Secretary

**SCHEDULE A**

1. The estate or interest in the land described or referred to in this schedule covered by this policy is: (Will be shown as a fee or such lesser estate or interest owned by the person or party named in paragraph 2 of this Schedule.)
2. Title to the estate or interest covered by this policy at the date hereof is vested in:
3. The land referred to in this policy is situated in the County of \_\_\_\_\_, State of \_\_\_\_\_, and is described as follows:

(This phraseology may be modified to eliminate a specific description by including it by reference to the description as contained in a specific instrument.)

## SCHEDULE B

This policy does not insure against loss or damage by reason of the following:

1. Current and delinquent standby fees and taxes and assessments as follows:  
(List all taxing districts in which the land is situated and other taxing authorities that have jurisdiction over said land for the levy of taxes and standby fees; showing lien date for each and amounts for all such assessments that have not been paid on the date of the policy.)
2. (Continue with the Special Exceptions such as recorded easements, liens, etc., showing in addition the persons or parties holding such interests of record, and who the Company would require to convey such interest or who would be the proper parties defendant in a condemnation proceeding to eliminate such matter.

The write-up could be substantially as follows:

An easement for road purposes conveyed to \_\_\_\_\_, by deed recorded \_\_\_\_\_.)

### GENERAL EXCEPTIONS

#### Governmental Powers

1. Because of limitations imposed by law on ownership and use of property, or which arise from governmental powers, this policy does not insure against:
  - (a) consequences of the future exercise or enforcement or attempted exercise or enforcement of police power, bankruptcy power, or power of eminent domain, under any existing or future law or governmental regulation;
  - (b) consequences of any law, ordinance or governmental regulation, now or hereafter in force, (including building and zoning ordinances) limiting or regulating the use or enjoyment of the property, estate or interest described in Schedule A, or the character, size, use or location of any improvement now or hereafter erected on said property.

#### Matters Not of Record

2. The following matters which are not of record at the date of this policy are not insured against:
  - (a) rights or claims of parties in possession not shown of record;
  - (b) questions of survey;
  - (c) easements, claims of easement or mechanics' liens where no notice thereof appears of record; and
  - (d) conveyances, agreements, defects, liens or encumbrances, if any, where no notice thereof appears of record; provided, however, the provisions of this subparagraph 2(d) shall not apply if title to said estate or interest is vested in the United States of America on the date hereof.

#### Matters Subsequent to Date of Policy

3. This policy does not insure against loss or damage by reason of defects, liens or encumbrances created subsequent to the date hereof.

#### Refusal to Purchase

4. This policy does not insure against loss or damage by reason of the refusal of any person to purchase, lease or lend money on the property, estate or interest described in Schedule A.

## **Creditors' Rights**

5. This policy does not insure against any claim, which arises out of the transaction vesting in the Insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
  - (a) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or
  - (b) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure:
    - (i) to timely record the instrument of transfer; or
    - (ii) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

## **CONDITIONS AND STIPULATIONS**

### **Notice of Actions.**

1. If any action or proceeding shall be begun or defense asserted which may result in an adverse judgment or decree resulting in a loss for which this Company is liable under this policy, notice in writing of such action or proceeding or defense shall be given by the Attorney General to this Company within 90 days after notice of such action or proceeding or defense has been received by the Attorney General; and upon failure to give such notice then all liability of this Company with respect to the defect, claim, lien or encumbrance asserted or enforced in such action or proceeding shall terminate. Failure to give notice, however, shall not prejudice the rights of the party insured, (1) if the party insured shall not be a party to such action or proceeding, or (2) if such party, being a party to such action or proceeding be neither served with summons therein nor have actual notice of such action or proceedings, or (3) if this Company shall not be prejudiced by failure of the Attorney General to give such notice.

### **Notices of Writs.**

2. In case knowledge shall come to the Attorney General of the issuance or service of any writ of execution, attachment or other process to enforce any judgment, order or decree adversely affecting the title, estate or interest insured said party shall notify this Company thereof in writing within 90 days from the date of such knowledge; and upon a failure to do so, then all liability of this Company in consequence of such judgment, order or decree or matter thereby adjudicated shall terminate unless this Company shall not be prejudiced by reason of such failure to notify.

### **Defense of Claims.**

3. This Company agrees, but only at the election and request of the Attorney General of the United States, to defend at its own cost and expense the title, estate or interest hereby insured in all actions or other proceedings which are founded upon or in which it is asserted by way of defense, a defect, claim, lien or encumbrance against which this policy insured, provided, however, that the request to defend is given within sufficient time to permit the Company to answer or otherwise participate in the proceeding. If any action or proceeding shall be begun or defense be asserted in any action or proceeding affecting or relating to the title, estate or interest hereby insured and the Attorney General elects to defend at the Government's expense, the Company shall upon request, cooperate and render all reasonable assistance in the prosecution or defense of such proceeding and in prosecuting appeals.

If the Attorney General shall fail to request and permit the Company to defend, then all liability of the Company with respect to the defect, claim, lien or encumbrance asserted in such action or proceeding shall terminate; provided, however, that if the Attorney General shall give the Company timely notice of all proceedings and an

opportunity to suggest such defense and actions as it shall conceive should be taken and the Attorney General shall present the defenses and take the actions of which the Company shall advise him in writing, then the liability of the Company shall continue; but in any event the Company shall permit the Attorney General without cost or expense to use the information and facilities of the Company for all purposes which he thinks necessary or incidental to the defending of any such action or proceeding or any claim asserted by way of defense therein and to the prosecuting of an appeal.

**Compromise of Adverse Claims.**

4. Any compromise, settlement or discharge by the United States or its duly authorized representative of an adverse claim, without the consent of this Company shall bar any claim against the Company hereunder; provided, however, that the Attorney General may at his election submit to the issuing company for approval or disapproval any proposed compromise, settlement or discharge of any adverse claim and in the event of the consent of the issuing company to the proposed compromise, settlement or discharge it shall be liable for the payment of the full amount paid.

**Statement of Loss.**

5. A statement in writing of any loss or damage sustained by the party insured, and for which it is claimed this Company is liable under this policy, shall be furnished by the Attorney General to this Company within 90 days after said party has notice of such loss or damage and no right of action shall accrue under this policy until 30 days after such statement shall have been furnished. No recovery shall be had under this policy unless suit be brought thereon within one year after said period of 30 days. Failure to furnish such statement of loss or to bring such suit within the times specified shall not affect the Company's liability under this policy unless this company has been prejudiced by reason of such failure to furnish a statement of loss or to bring such suit.

**Policy Reduced by Payments of Loss.**

6. All payments of loss under this policy shall reduce the amount of this policy pro tanto.

**Amendment of Policy.**

7. No provision or condition of this policy can be waived or changed except by writing endorsed hereon or attached hereto signed by the President, a Vice President, the Secretary, and Assistant Secretary or other validating officer of the Company.

**Notices, Where Sent.**

All notices required to be given the Company and any statement in writing required to be furnished the Company shall be addressed to it at (insert proper address).