Managing Risk in Commercial Property Transactions

stewart title®

Real partners. Real possibilities.™

There are many risks inherent in the conveyancing process which may cause you loss or affect your ownership. Title insurance is a specialised type of insurance available to purchasers and owners of commercial property. Stewart Title has developed a comprehensive Commercial Purchaser Policy for transactions of up to $5,000,000 which provides protection in respect of commercial, industrial and rural* zoned land against certain unknown and hidden risks.

Stewart Title also offers cover for commercial properties with a purchase price of over $5,000,000 which may be tailored to suit your risk management needs. Our Commercial Purchaser Policy is also available for existing owners.

Covered Risks

Cover is provided for a broad range of risks including**:

Illegal Building Work

Enforcement action by a Local Authority in relation to illegal structures which have been built without the required Council permits or which do not comply with those permits (for rural properties this cover only applies to the primary residence and not to other structures on the property).

Survey/Boundary Defects

Any adverse matters that would have been revealed in an up-to-date survey report (excluding boundary walls and fences).

Registration Gap

Someone else lodges a dealing which prevents your interest from being registered or recorded.

Fraud, Forgery & Identity Theft

Loss due to fraud, forgery or identity theft which affects your ownership at the time of purchase.

Planning & Title Defects

Loss due to non-compliance with existing planning and zoning laws, unregistered easements and covenants, access orders, access rights or a right of way, lack of legal access or defects in title to the land.

Unmarketability

Loss on resale of the property because of the existence of a covered title risk.

Outstanding Rates & Taxes

Outstanding rates and taxes on the property which you are now liable for as the current owner of the property.

Exclusions

Like all insurance policies, a Commercial Purchaser Policy excludes certain risks from cover. Some of these standard exclusions include:

- Risks which cause no loss or damage
- Boundary walls and fences
- Risks or loss arising from environmental contamination
- Risks or loss arising from leasing activities
- Risks which the insured creates, allows or agrees to
- Risks which are known to the insured, but not to Stewart Title
- Risks which occur or come into existence after the policy date (except where specifically included in the policy)
- Native title

Marketability Cover

A unique feature of commercial title insurance is 'marketability' cover. Cover is provided to you in the event that the property becomes unmarketable because a buyer refuses to complete a contract to purchase the insured property or comply with a lease, or a lender refuses to grant a mortgage over the property as a result of a risk that is covered under the policies.

This protection helps to ensure that a transaction proceeds that might otherwise have fallen through. We may rectify the defect or you may be compensated where there is a reduction in the sale price or you re-sell the property to another purchaser at a lower price.

Duty to Defend

In addition to cover for actual loss, Stewart Title has a duty to defend any challenge to your title based on a covered risk. As part of this duty, we will cover the costs, legal fees and expenses incurred in that defence. It is of considerable benefit to you that any such costs, fees or expenses paid will not reduce the policy amount of cover provided.

A Different Kind of Insurance

- One-time premium provides protection for life of property ownership
- No excess payable on claims
- No-fault claims process means you don't have to prove fault or negligence - you need only prove that you have suffered actual loss based on cover that the policy provides

How to Apply for a Commercial Purchaser Policy

A Stewart Title Commercial Purchaser Policy can be arranged through your conveyancer or solicitor. If your conveyancer or solicitor cannot arrange a policy, you can submit an application directly to Stewart Title. A Policy Order Form can be obtained from our website or by contacting us on 1800 300 440.

A Commercial Purchaser Policy should be applied for prior to settlement. Confirmation of your order will be provided prior to settlement so that you can proceed with the transaction with certainty. Once we receive your premium and notification that settlement has occurred, a policy will be issued to you.

About Stewart Title

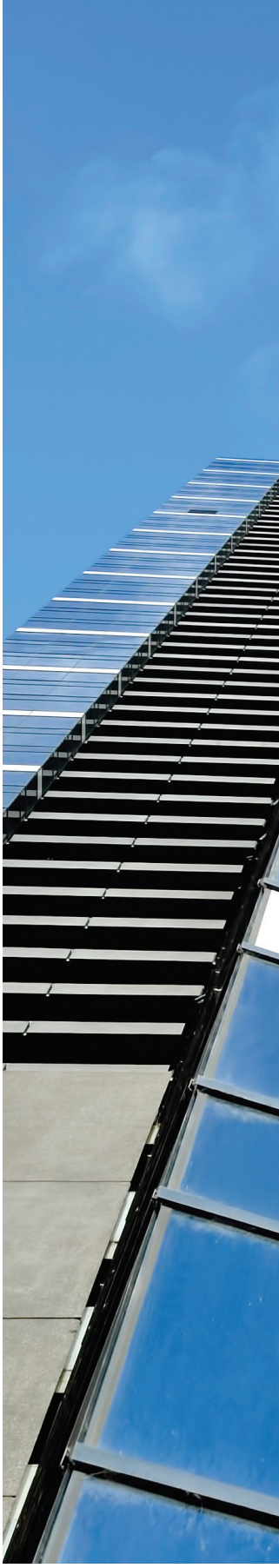
Stewart Title is wholly owned by Stewart Title Guaranty Company, the primary underwriter for Stewart Information Services Corporation (Stewart). The Stewart group of companies traces it origins back over 120 years in the USA and currently provides products worldwide across 80 international markets.

Backed by our size, stability and experience, the Stewart group of companies is renowned for its comprehensive protection and exceptional claims paying ability. Since the company's founding, we have maintained strong, steady growth.

In Australia, Stewart Title Limited is regulated by the Australian Prudential Regulation Authority and its underwriting risks are reinsured with its parent company. Stewart Title is authorised to provide general insurance in all States and Territories and offers a full range of both residential and commercial title insurance products to purchasers, existing owners and lenders.

International Commercial Experience

As one of the world's leading title insurers, Stewart Title's commercial portfolio is among the strongest and most impressive in the industry. Our global reach and financial strength, combined with the experience of our commercial team, enable us to handle the most complex transactions. Globally we have provided customised coverage for some of the world's best hotels, golf courses, resorts, office towers and business centres. This impressive portfolio ranges from smaller commercial sites to multi-site and cross-border transactions.



Contact us for more information.

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*Where the property is used for a commercial enterprise.

**Please note that coverage under the policy for unapproved building work is capped at $150,000 and coverage for boundary and survey risks will not apply to land where the land area size exceeds 50 acres.

This material is intended to provide information of a general nature. Please refer to the policy for full details, including the specific terms and conditions. Sample policies are available on our website or upon request. Premiums are subject to change without notice.

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