

# Differences in Title Insurance

---

## 1. CLTA Standard Coverage Policy (California Land Title Association)

The CLTA Standard Coverage Policy is designed to insure the owner of real property and/or the lender under a deed of trust against loss by reason of those matters covered under the policy of insurance.

### What is covered:

Some of the coverages provided under the CLTA Standard Coverage Policy are:

- A. Title to the real property owned by a person other than the insured.
- B. Defects, liens and encumbrances upon title which are recorded.
- C. Lack of a right of access to and from the real property.
- D. The insured has a marketable interest in the real property.
- E. There are no forgeries or failed conveyances in the chain of title.

### What is not covered:

Some of the matters not covered by the CLTA Standard Coverage Policy are:

- A. Matters which a correct survey would show.
- B. Unrecorded matters
- C. Matters which a physical inspection of the real property would disclose.
- D. Rights of parties in possession
- E. Unpatented water and mineral rights.
- F. Matters known, created or assumed by the insured.

### Owner's Insurance:

The CLTA Standard Coverage Policy insures the owner of any type of real property (Commercial, industrial, vacant land, residential) against those matters covered under the policy of insurance.

### Lender's Insurance:

The CLTA Standard Coverage Policy insures the lender under a deed of trust upon any type of real property (commercial, industrial, vacant land, residential) against those matters covered under the policy of insurance including both the validity and priority of the lender's deed of trust upon the real property.

## 2. ALTA Residential Title Insurance Policy (American Land Title Association)

The ALTA Residential Title Insurance Policy is designed to insure the owner of residential property including condominiums (one-to-four family residences) against loss by reason of those matters covered under the policy of insurance.



HelpDesk Line:  
**(949) 888-6788**

# Differences in Title Insurance (cont.)

---

## **What is covered:**

The ALTA Residential Title Insurance Policy provides all the coverages afforded under the CLTA Standard Coverage Policy plus:

- A. Mechanic's lien protection arising out of work done on the real property to which the insured did not agree to pay for.
- B. Rights under unrecorded leases.
- C. Unrecorded easements.
- D. The encroachment of insured's improvements upon adjoining real property.

## **Lender's Insurance:**

The ALTA Residential Title Insurance Policy does not provide coverage to a lender. However, a lender under a seller-carry-back deed of trust may obtain coverage by means of an endorsement to the policy.

### **3. ALTA Loan Policy (American Land Title Association)**

The ALTA Loan Policy is designed to primarily insure an institutional lender under a deed of trust upon any type of real property (commercial, industrial, vacant land, residential) against those matters covered under the policy of insurance including both the validity and priority of the lender's deed of trust upon the real property.

## **What is covered:**

The ALTA Loan Policy provides all of the coverages afforded under the CLTA Standard Coverage Policy plus:

- A. Matters which a physical inspection of the real property would disclose.
- B. Easements not disclosed by the public records.
- C. Encroachments, discrepancies or conflicts in boundary lines not shown by the public records.
- D. Rights of parties in possession.
- E. Mechanic's liens.

### **4. ALTA Owner's Policy (American Land Title Association)**

The ALTA Owner's Policy is designed to insure the owner of real property against loss by reason of those matters covered under the policy of insurance. Do not confuse this policy with the ALTA Residential Title Insurance Policy. The ALTA Owner's Policy is the broadest form of insurance provided an owner of any type of real property (commercial, industrial, vacant land, residential).



HelpDesk Line:  
**(949) 888-6788**

# Differences in Title Insurance (cont.)

---

## **What is covered:**

The ALTA Owner's Policy provides all of the coverages afforded under the CLTA Standard Coverage Policy plus:

- A. Matters which a survey would disclose.
- B. Easements not disclosed by the public records.
- C. Encroachments, discrepancies or conflicts in boundary lines not shown by the public records.
- D. Rights of parties in possession.

## **What is not covered:**

Like all policies of title insurance, the ALTA Owner's Policy does not provide coverage against matters known, created or assumed by the insured.

## **Additional requirements:**

Since the ALTA Owner's Policy provides such broad coverage, additional requirements for the issuance of the policy may include:

- A. A correct survey.
- B. A field inspection
- C. A check with all utilities to make sure that they have no unrecorded easements.
- D. Copies of all leases and/or tenant lists.

Since these requirements take time to complete, plan accordingly. Furthermore, the policy may contain further exceptions. Therefore, do not necessarily expect a clean report.



HelpDesk Line:  
**(949) 888-6788**

# Coverage Comparison

COVERAGE	Standard CLTA	ALTA "R"	CLTA Homeowner's Policy
1. Someone else owns an interest in your title	X	X	X
2. A document is not properly signed	X	X	X
3. Forgery, Fraud, Duress	X	X	X
4. Defective recording of any document	X	X	X
5. There are restrictive covenants	X	X	X
6. There is a lien on your title because there is:	X	X	X
a) a deed of trust	X	X	X
b) a judgement, tax, or special assessment lien	X	X	X
c) a charge by the homeowners association	X	X	X
7. Title is unmarketable	X	X	X
8. Legal (not actual) access	X	X	X
9. Mechanics lien protection		X	X
10. Forced removal of a structure because it:		X	X
a) Extends onto other land or to an easement		X	X
b) Violates a restriction in Schedule B		X	X
c) Violates an existing zoning law		X	X
11. Cannot use land for SFR because the use violates a restriction in Schedule B or a zoning ordinance		X	X
12. Pays rent for substitute land or facilities		X	X
13. Unrecorded easements		X	X
14. Rights of unrecorded leaseholders		X	X
15. Plain language		X	X
16. Building permit violations			X
17. Compliance with Subdivision Map Act			X
18. Restrictive covenant violations			X
19. Post Policy Forgery			X
20. Post Policy Encroachment			X
21. Post Policy Damage from minerals or water extraction			X
22. Post Policy Living Trust Coverage			X
23. Enhanced Access-Vehicular & Pedestrian			X
24. Map not consistent with legal description			X
25. Post Policy automatic increase in value up to 150%			X
26. Post Policy adverse possession			X
27. Post Policy cloud on title			X
28. Post Policy prescriptive easement			X
29. Covenant violation resulting in reversion			X
30. Boundary walls and fence encroachment			X
31. Enhanced marketability			X
32. Violations of building setbacks			X
33. Discriminatory covenant			X



HelpDesk Line:  
**(949) 888-6788**