

**Top Ranking Title Insurance Company on FORTUNE magazine's "America's Most-Admired Companies" list**

Stewart Title was named in FORTUNE magazine's annual list of "America's Most Admired Companies," landing as number four on the "mortgage services" industry list for 2006. We were the highest-ranking title insurance company on the list, receiving exceptional marks for our use of corporate assets and our financial soundness.

In recognition of our reliable performance and financial soundness, Stewart Title is also included on the FORTUNE 1000 and on FORTUNE magazine's "Top 100 Fastest Growing Companies".

**FORTUNE**

**On The Move**

Please be advised that our Melbourne, Victoria office recently relocated. The below are our new contact details:

25 Claremont Street  
Suite 5  
South Yarra 3141

**Phone**

03 9827 6190 or 1300 552 975

**Fax**

03 9827 6180

Welcome to the first edition of *The Connection*. This newsletter is our way of keeping you connected with underwriting; claims; product; and other related news. We hope you enjoy our first issue, and we encourage you to provide us with feedback on how we can help keep you connected. Email us with your suggestions at [melanie.shad@stewart.com](mailto:melanie.shad@stewart.com).

## APPOINTMENTS

Stewart Title is very pleased to announce the following appointments



**Anna Macdonald as General Manager**

As General Manager, Anna oversees and is responsible for the growth and leadership of Stewart Title's Australian Operations. This responsibility also includes managing all day-to-day operational functions and title insurance industry-related issues for Stewart Title.

Anna began her career at Stewart Title in 2002 as Operations Manager. With a flair for identifying our customers' requirements, Anna has been instrumental in offering our customers value-added title insurance products for their residential and commercial transactions, and in turn growing our Australian operations thus far. You can contact Anna via email at [anna.macdonald@stewart.com](mailto:anna.macdonald@stewart.com).



**Peter Cutajar LLB (Hons) as Senior Legal Counsel - Underwriting & Business Development**

Peter joins our expanding Australian operations with more than 14 years of experience as a Property Lawyer. Peter is a graduate of the University of Technology and was admitted as a Solicitor in NSW in 1992.

With his industry experience and education, his addition as Senior Legal Counsel provides our clients with another resource in providing underwriting expertise and answering any product-related questions you may have. Peter's appointment further strengthens our continued commitment to provide superior service and meet the needs of our legal and lending communities. You can contact Peter via email at [peter.cutajar@stewart.com](mailto:peter.cutajar@stewart.com).

# UNDERWRITING NEWS

## Requesting Custom Underwriting

Matters regarding known defects that are disclosed to the conveyancer or solicitor by way of special conditions; surveys or building certificates that may be attached to the contract are dealt with by Stewart Title on a case-by-case basis. Contact Stewart Title regarding such matters and our underwriters will advise you on the type of coverage that will be offered.

Our title insurance can be custom underwritten to provide coverage for many known property specific title or off-title defects. Conveyancers and solicitors are encouraged to consider whether title insurance custom underwriting can serve as an option to resolving problems with particular transactions. To effectively take advantage of the many different solutions that Stewart Title can provide you and your client, we ask that you submit your underwriting

enquiries well in advance of your settlement date. The benefits of this are twofold:

1. Our underwriters will have adequate time to diligently analyse your issues, request additional information if required, and draft appropriate underwriting; and
2. You will receive advance notice of the possible coverage and our requirements in that regard, so that you may discuss this with your client.

While we stand ready to respond to last minute enquiries, you will benefit greatly by providing Stewart with ample advance notice of the issues for which you may require coverage.

In order to best assist you in a timely fashion, it is also helpful when you provide as much detailed information as possible. In that regard, when faxing or emailing a request for underwriting assistance, we ask that you try to provide the following documentation and/or information with your request:

1. a covering letter briefly outlining the issue;
2. a copy of the front page of the contract;
3. a copy of the title search from the vendor's contract;
4. any relevant correspondence regarding the issue in question;
5. copies of the drainage diagram, the deposited plan, survey (if available); or
6. any other documentation that you may think is relevant to the issue in question.

By initially providing as much information as possible, it greatly assists our underwriters in making a quick determination as to what custom underwriting solutions can be offered for your transaction.

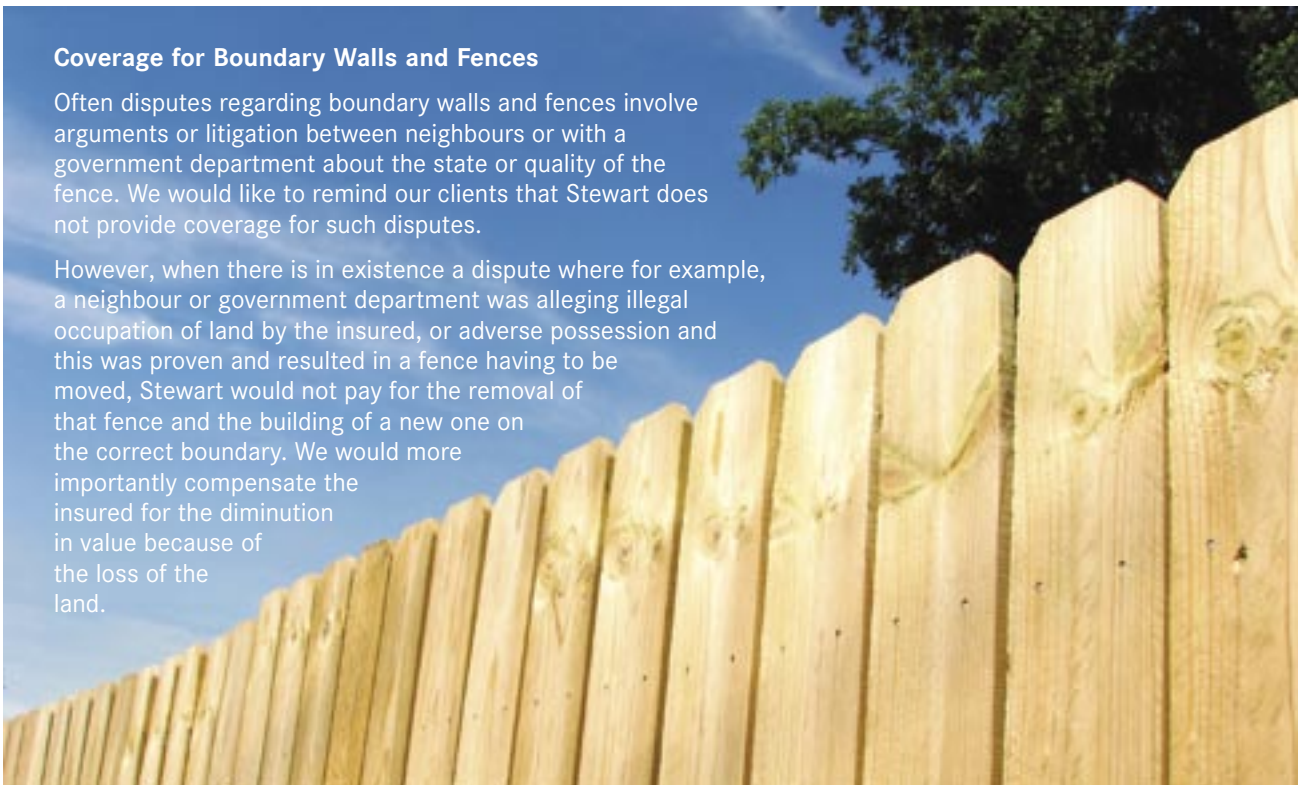
Stewart does in some cases decide not to cover known defects, but in all cases we work with the conveyancer or the solicitor to offer the best possible coverage over the known defect in question.

Should you have a custom underwriting enquiry please email us at [e.underwriting@stewart.com](mailto:e.underwriting@stewart.com) or fax (02) 9081 6299.

## Coverage for Boundary Walls and Fences

Often disputes regarding boundary walls and fences involve arguments or litigation between neighbours or with a government department about the state or quality of the fence. We would like to remind our clients that Stewart does not provide coverage for such disputes.

However, when there is in existence a dispute where for example, a neighbour or government department was alleging illegal occupation of land by the insured, or adverse possession and this was proven and resulted in a fence having to be moved, Stewart would not pay for the removal of that fence and the building of a new one on the correct boundary. We would more importantly compensate the insured for the diminution in value because of the loss of the land.





### **Increased Incidence of Fraud Prompts New ID Requirements in Qld**

Due to the increased incidence of fraud occurring in Australia, amendments have been made to the Land Titles Act (Qld) that place new ID requirements on mortgagees in Queensland. Mortgagees must take “reasonable steps” to identify the person(s) signing the mortgage as mortgagor or risk losing indefeasibility of title.

The Department of Natural Resources and Mines has issued a Land Title Practice Manual Update indicating what constitutes “reasonable steps”. Generally speaking, if the mortgagor is a natural person, the 100-point check method must be used to identify the mortgagor. If the mortgagor is a company, then the mortgagee should ensure that it conducts a company search and confirm execution is in accordance with the Corporations Act.

The effect of the legislation is that indefeasibility will not be available unless the mortgagee has taken reasonable steps to identify the mortgagor and the power of sale is restricted where the mortgage involved fraud even if the mortgagee complied with the new procedures. In addition, the Registry has been given the power to investigate and remove registered dealings if fraud is established. So mortgagees now bear greater risk even if the mortgage is registered.

This presents a strong argument for mortgagees to consider title insurance as part of their risk management program. Stewart Title will protect the mortgagee in the event that they are unable to enforce the security due to an incidence of fraud. Actual loss, together with costs, legal fees and expenses will be covered by us up to the policy amount in the event that they lose indefeasibility of title or suffer loss under the new limited power of sale.

## **EVENT NEWS**

### **The Beginning of an Event Tradition**

On Thursday, February 2, Stewart Title hosted its first annual Customer Lawn Bowling Event for its lender customers. The event was such a success and we loved hosting it so much that we’re making it an annual tradition!

Our participating teams enthusiastically (some a little more than others) competed for first place. While fun was had by all, we have to congratulate our winners:

Gadens NMS – 1st Place and following not too far behind, were our runners up Capital Trust.

A big thank you to everyone who attended and we hope to see you again next year!



## TITLE TIPS

- Stewart Title provides cover for equity release products and commercial mortgages.
- To ensure that conveyancers and solicitors obtain title insurance protection for their clients, they must order the policies prior to settlement.

Any questions regarding these title tips, contact us at 1800 300 440 and we'd be happy to go over them with you.

### Introducing Fraud Seminars for Lenders

The aftermaths of real estate title fraud and the related financial losses can be devastating. While title insurance helps protect against losses arising from fraud and forgery, there are still ways in which we help detect fraudulent transactions and in turn prevent them from occurring in the first place.

Stewart Title now offers lenders and their staff in-house seminars that provide information on how to identify fraudulent transactions and other steps they can take to help prevent fraud from occurring.

These seminars are designed to be practical and would benefit staff working in loan approval and mortgage documentation roles including settlement and registration. The seminars can also be tailored to meet a lender's requirements so please don't hesitate to give Peter a call and discuss your needs.

To book a seminar for your employees, contact Peter Cutajar via email at [peter.cutajar@stewart.com](mailto:peter.cutajar@stewart.com) or telephone at 02 9081 6200.

## CLAIMS NEWS

### Recent Fraud Claim Paid

In 2004, our insured lender had advanced funds on a purchase to a person claiming to be the owner of the property. Less than a year later, our insured lender was sued by a woman who had, with her husband, owned the property from 1979 to 2003. She claimed that her signature on the transfer, as well as a series of mortgages starting in 1999 were all forgeries. She claimed that title to the property should be returned to her, and enforcement proceedings by our insured lender be halted until the matter of the fraud was resolved.

#### The Resolution

In this case, Stewart Title under the defence of title provisions in the Residential Lender Policy defended the enforceability of the insured mortgage. This meant, amongst other things, that Stewart Title paid the legal fees and associated costs from the time of notification of the claim to the conclusion of proceedings.

Whilst in this case the lender did not suffer a loss as the eventual sale price would exceed the mortgage amount outstanding, Stewart Title would have paid for the loss if a loss had occurred.



### Making a Claim

Making a claim with Stewart Title is easy and hassle free. When the insured becomes aware of the potential claim, they must notify Stewart Title immediately.

When making a claim insureds should:

- notify the claims department as soon as possible via our claims forms which can be obtained by contacting Stewart Title's customer service team on 1800 300 440;
- provide any documentation relevant to their claim such as the contract of sale; relevant reports; council orders or notices; certificates; etc.; and
- specify the value of their loss, providing supporting evidence of value stated.

We pride ourselves on resolving claims promptly and efficiently to ensure that we provide excellent claims management and service.

## Australian Institute of Conveyancers 2006 Seminar Agenda

Stewart Title is the proud sponsor of the Australian Institute of Conveyancers, NSW Division seminar series. Below are some of the upcoming seminars which we will be attending.

Date	Topic	Venue
<b>Wednesday</b> <b>31st May 2006</b> <i>7-9pm</i>	<ul style="list-style-type: none"><li>• Fraud In Conveyancing</li><li>• Conveyancers Licensing Act 2003 Update</li></ul>	Hornsby RSL Club
<b>Tuesday</b> <b>6th June 2006</b> <i>7-8:30pm</i>	<ul style="list-style-type: none"><li>• Conveyancers Licensing Act 2003 Update</li></ul>	Campbelltown Catholic Club
<b>Monday</b> <b>19th June 2006</b> <i>7-9pm</i>	<ul style="list-style-type: none"><li>• Problems with the Sale of Businesses</li></ul>	Parramatta Leagues Club
<b>Tuesday</b> <b>27th June 2006</b> <i>7-8:30pm</i>	<ul style="list-style-type: none"><li>• Conveyancers Licensing Act 2003 Update</li></ul>	Wesley Conference Centre 220 Pitt Street, Sydney
<b>Wednesday</b> <b>12th July 2006</b> <i>7-8:30pm</i>	<ul style="list-style-type: none"><li>• Conveyancers Licensing Act 2003 Update</li></ul>	Illawarra Catholic Club
<b>Monday</b> <b>24th July 2006</b> <i>7-8:30pm</i>	<ul style="list-style-type: none"><li>• Conveyancers Licensing Act 2003 Update</li></ul>	Penrith Panthers
<b>Wednesday</b> <b>9th August 2006</b> <i>7-8:30pm</i>	<ul style="list-style-type: none"><li>• Conveyancers Licensing Act 2003 Update</li></ul>	Steelers Club, Wollongong
<b>Tuesday</b> <b>15th August 2006</b> <i>7-8:30pm</i>	<ul style="list-style-type: none"><li>• Conveyancers Licensing Act 2003 Update</li></ul>	Newcastle Panthers
<b>Thursday</b> <b>17th August 2006</b> <i>7-8:30pm</i>	<ul style="list-style-type: none"><li>• Conveyancers Licensing Act 2003 Update</li></ul>	Country Comfort, Coffs Harbour

Please note this program may be subject to change. For further details on these seminars please contact:

Kellie Rickwood  
Education Officer  
Australian Institute of Conveyancers  
Tel: 02 9633 1355

### Visit Stewart Title at the following Law Institute of Victoria Conferences

#### Western District and Wimmera Law Association Conference

*Date:* 5 August

#### 2006 Annual Property & Environmental Law Conference

*Date:* 3 November 2006

#### Gippsland Law Association Conference

*Date:* 17 November 2006

Please visit [www.liv.asn.au](http://www.liv.asn.au) for further event details.

