

# BENEFITS OF ADDING AN ALTA 2021 HOMEOWNER'S POLICY DURING ESTATE PLANNING

Incorporating a 2021 ALTA (American Land Title Association) Homeowner's title insurance policy into an estate plan provides robust protection against a wide range of title issues and legal disputes, ensuring that the property remains a secure and valuable asset for the client and their beneficiaries. This comprehensive coverage supports the goals of estate planning by safeguarding the property's value and ensuring a smooth transfer to heirs, free from unexpected legal or financial burdens.

## Core Benefits

### ★ Protection Against Title Defects:

The policy protects against various title defects such as forgery, fraud, unpaid taxes, and liens that may not have been discovered during the title search. This ensures that the property has a clear title, which is crucial when transferring assets in an estate plan.

### ★ Ownership Assurance:

The policy guarantees that the homeowner has the legal right to the property. This assurance is critical when the property is part of a trust or will, as it ensures that the intended beneficiaries will receive a valid and undisputed asset.

### ★ Legal Defense Coverage:

If a title issue arises, the policy covers legal costs associated with defending the title. This can be a significant financial relief for the estate and its beneficiaries, preserving more of the estate's value for distribution.

## Additional Benefits and Coverages

### ◆ Enhanced Coverage for Survey Issues:

The 2021 ALTA Homeowner's policy covers certain survey issues that may be missed during a standard title search. This includes coverage for encroachments, boundary disputes, and other survey-related defects.

### ◆ Zoning Law Violation Coverage:

Coverage for losses arising from violations of zoning laws, including forced removal of structures due to non-compliance.\* This is especially important for properties that may have undergone renovations or improvements.

### ◆ Building Permit Violation Coverage:

Protection against losses if a previous owner failed to obtain necessary permits for improvements.\* This ensures that the property remains compliant with local regulations and can be transferred without issues.

### ◆ Encroachment Coverage:

Coverage for encroachments that affect the property, providing protection if a neighbor's structure encroaches on the insured property or vice versa.

### ◆ Subdivision Law Violation Coverage:

Protection against losses due to violations of subdivision laws. This can be crucial for properties in areas with strict subdivision regulations.

### ◆ Restrictive Covenant Violations:

Coverage for losses resulting from violations of restrictive covenants, ensuring that the property is in compliance with community standards and restrictions.

### ◆ Post-Policy Coverage:

Coverage for title issues that arise after the policy is issued. This includes protection against risks that were not present at the time of purchase but emerge later.

### ◆ Inflation Protection:

Automatic increases in coverage up to 150% of the original policy amount to keep up with property value appreciation, providing continued protection as the property's value grows over time.

### ◆ Extended Coverage for Heirs:

The policy benefits extend to heirs, ensuring that the coverage continues even after the original policyholder's death. This is particularly valuable in estate planning, as it ensures ongoing protection for beneficiaries.

### ◆ Living Trusts and LLCs:

Coverage includes properties held in living trusts or LLCs, which are common vehicles in estate planning to manage and transfer assets.



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