



CHICAGO TITLE  
INSURANCE COMPANY



## *TITLE TALK By: Katie Button*

### TRUST ENDORSEMENTS

An insured homeowner is transferring their real estate to an estate planning trust. Will they still have coverage and what needs to be done to make sure they do? It depends.

The first step is to determine which jacket version the Owner policy was issued on.

#### The 2006 Jacket

The 2006 Owner Jacket automatically continues coverage after transfers to trusts that fit within the definition of "the insured" pursuant to jacket section 1. Definition of Terms (d) (i) (D) (4) which reads:

*The term "Insured" also includes a grantee of an Insured under a deed delivered without payment of actual valuable consideration conveying the Title if the grantee is a trustee or beneficiary of a trust created by a written instrument established by the Insured named in Schedule A for estate planning purposes.*

If it's a 2006 Jacket and the transfer fits the criteria above, coverage continues and nothing further is needed.

#### Jackets Prior to 2006

Policies with Owner Jackets prior to the 2006 Jacket will need to be endorsed to add the trust as a named insured. First, confirm the transfer fits within the definition of "the insured" in the 2006 jacket. We only offer the Trust Endorsement to transfers that fall within that definition.

Next, update the title and record the deed transferring the property to the Trust. The endorsement can then be drafted adding the Trust as a named insured (note: you are adding, not replacing) and take exception for anything found of record during your title update including any outstanding mortgages. The Endorsement does not change the effective date of the original policy, but exceptions for new matters are added to avoid any claims, as the endorsement also provides coverage over matters on record between the original policy and the endorsement date. There is no premium due to the Company for the endorsement, however, you can charge a title update fee.

To simplify the process, the whole procedure is as follows:

- Deed to revocable trust is recorded by insured, estate planning attorney, or Agent.
- The insured sends Agent a copy of the existing owner policy with a letter/email requesting the endorsement to add the trust as an insured.
- Agent updates the title
- Agent confirms the property taxes are paid current, and should add an exception if they are not paid in full.
- Agent endorses the policy to add the trust as an insured, but should also take exception for anything found on title during the title update (easements, mortgages, etc). Be sure to look at homestead rights and take appropriate exception, if not released by the Grantors or a spouse does not release. By default, homestead rights of the individual Grantors are retained unless specifically released in the deed to the Trust. See our Title Talk Edition #3, January 2019. If the boundary lines of the property have changed for any reason STOP and call us.

A sample endorsement is attached for guidance.

**What's your title question? Send us information on what you want answered in our future editions.**

**Check out our prior editions of Title Talk by copying this link to our website: <https://nationalagency.fnf.com/nh/Title-Talk>**

**We have started a commercial endorsement presentation series. If your firm or title company is interested in having us join you for an hour to review commercial endorsements, contact us and we can work with you to schedule a convenient date and time to come into your office.**



Call or email  
anytime with  
questions!

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Check out our website for  
additional information:  
[Nationalagency.fnf.com/NH](http://Nationalagency.fnf.com/NH)

**SAMPLE**

**ENDORSEMENT**

ATTACHED TO AND FORMING A PART OF  
POLICY NUMBER **[INSERT POLICY NUMBER]**

ISSUED BY  
**[INSERT NAME OF TITLE INSURANCE COMPANY]**

The policy is hereby amended by adding as a named insured therein:

**[INSERT NAME OF TRUSTEE(S), NAME OF TRUST AND DATE OF TRUST]**

The following is added to Schedule B, Exceptions from Coverage:

**[INSERT ALL MATTERS FOUND ON RECORD IN TITLE UPDATE INCLUDING  
ANY OUTSTANDING MORTGAGES, LIENS, ETC]**

This endorsement does not extend or change the effective date of the policy, and it does not impose any liability on the Company for loss or damage resulting from (1) failure of such added insured to acquire an insurable estate or interest in the land, or (2) any defect, lien or encumbrance attaching by reason of the acquisition of an estate of interest in the land by such added insured.

This Endorsement is made a part of the policy or commitment and is subject to all the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy or commitment and prior endorsements, if any.

Dated this \_\_\_\_ day of \_\_\_\_\_, 201\_\_\_. **[DATE THE ENDORSEMENT FOR DATE  
AND TIME YOUR TITLE UPDATE SEARCHED THROUGH]**

**[INSERT NAME OF TITLE INSURANCE COMPANY]**

By \_\_\_\_\_  
**[Insert Name of Person Signing],**  
Duly Authorized

**PRIOR TO ISSUING THIS ENDORSEMENT, COMPLETE A TITLE UPDATE  
THROUGH THE RECORDING OF THE DEED INTO THE TRUSTEE OF THE TRUST.  
IF THE DESCRIPTION OF THE INSURED PROPERTY HAS BEEN AFFECTED BY  
OUTSALES OR LOT LINE ADJUSTMENTS, CALL YOUR UNDERWRITER FOR  
FURTHER INSTRUCTIONS.**