# INSTRUCTIONS FOR ALTA ENDORSEMENT FORM 3

# ZONING

**PURPOSE OF ENDORSEMENT**

The ALTA 3 Zoning Endorsement insures against loss or damage which the insured may sustain by reason of any incorrectness in two special assurances. The first assurance is the identification of the zoning classification of the land described in the policy. The second is a listing of uses allowed under that classification that are applicable to the transaction and the property.

# UNDERWRITING REQUIREMENTS

Before issuing this endorsement, the following requirements must be satisfied:

1. Examine the current zoning regulations and zoning maps of the municipality or municipalities in which the insured property is located and determine the correct zoning classification of the property. Insert the zoning designation in the blank provided in paragraph 1a. of the endorsement;
2. Determine the uses which are allowed under that classification and identify in paragraph 1b. of the endorsement;
3. Check with the municipal zoning authorities to determine whether anyone is currently appealing the zoning classification of the property. If so, check the local court records to determine the status of the appeal and contact a member of CATIC’s underwriting staff before issuing this endorsement; and
4. If the property is located in more than one zone, please contact a member of CATIC's underwriting staff.

# FOR STATE SPECIFIC UNDERWRITING REQUIREMENTS, PLEASE SEE BELOW:

**ALABAMA:**

Because of the risks associated with this endorsement, an additional premium is required each time one is issued. The additional premium is equal to $.25 per thousand dollars of insurance coverage subject to a $125.00 minimum charge. This premium is split with the agent in the same manner as the base premium. This Zoning Endorsement may be issued for commercial transactions only. It may NOT be issued for residential transactions.

**CONNECTICUT:**

Because of the risks associated with this endorsement, an additional premium is required each time one is issued. The additional premium is equal to $0.35 per thousand dollars of insurance coverage. The premium is split with the agent in the same manner as the base premium.

**FLORIDA:**

This Zoning Endorsement is prohibited in the State of Florida.

**GEORGIA:**

Because of the risks associated with this endorsement, an additional premium is required each time one is issued. The additional premium is negotiable. Please contact a CATIC Underwriter for authorization to issue this Zoning Endorsement and for a premium quote to issue the same. The premium is split with the agent in the same manner as the base premium.

**ILLINOIS:**

Because of the risks associated with this endorsement, an additional premium is required. For insurance less than $5 million, the endorsement premium starts at $650.00 per endorsement and may be increased based on underwriter review of the specific risks associated with issuance of the endorsement. This premium is retained by the Company. The endorsement must be completed and approved by a CATIC underwriter.

**MAINE:**

Because of the risks associated with this endorsement, an additional premium is required each time one is issued. The additional premium is negotiable. Please contact a CATIC Underwriter for authorization to issue this Zoning Endorsement and for a premium quote to issue the same. This premium is split with the agent in the same manner as the base premium.

**MASSACHUSETTS:**

Because of the risks associated with this endorsement, an additional premium is required each time one is issued. The additional premium is negotiable. Please contact a CATIC Underwriter for authorization to issue this Zoning Endorsement and for a premium quote to issue the same. This premium is split with the agent in the same manner as the base premium.

**NEW HAMPSHIRE:**

Because of the risks associated with this endorsement, an additional premium is required each time one is issued. The additional premium for the ALTA 3 is $0.35 per thousand dollars of insurance coverage. This premium is split with the agent in the same manner as the base premium.

NORTH CAROLINA:

This Zoning Endorsement is not available in North Carolina.

**RHODE ISLAND:**

Because of the risks associated with this endorsement, an additional premium is required each time one is issued. The additional premium is equal to $0.75 per thousand dollars of insurance coverage. This premium is split with the agent in the same manner as the base premium.

**SOUTH CAROLINA:**

Because of the risks associated with this endorsement, an additional premium is required each time one is issued. The additional premium is negotiable. Please contact a CATIC Underwriter for authorization to issue this Zoning Endorsement and for a premium quote to issue the same. The premium is split with the agent in the same manner as the base premium.

TENNESSEE:

Because of the risks associated with this endorsement, an additional premium is required each time one is issued. The additional premium is equal to 10% of the basic rate. This premium is split with the agent in the same manner as the base premium. NOTE: This Zoning Endorsement may be issued for commercial transactions only. It may NOT be issued for residential transactions.

**VERMONT:**

Issuance of any ALTA 3 series endorsement requires underwriting approval. For underwriting approval and applicable hazard premium, please contact the Vermont office.

***Please contact a member of CATIC’s underwriting staff if there are questions about the issuance of this endorsement.***

ALTA 3 ZONING ENDORSEMENT

This endorsement is issued as part of Policy Number

issued by CATIC

1. For purposes of this endorsement, “Zoning Ordinance” means a zoning ordinance or zoning regulation of a political subdivision of the State that is in effect and applicable to the Land at the Date of Policy.

2. The Company insures against loss or damage sustained by the Insured in the event that, at the Date of Policy:

a. According to the Zoning Ordinance, the Land is not classified Zone      ;

b. The following use or uses are not allowed under that classification:      .

3. There is no liability under this endorsement based on:

a. The lack of compliance with any condition, restriction, or requirement contained in the Zoning Ordinance, including but not limited to the failure to secure necessary consents or authorizations as a prerequisite to the use or uses. Section 3.a. does not modify or limit the coverage provided in Covered Risk 5.

b. The invalidity of the Zoning Ordinance until after a final decree of a State or federal court having jurisdiction adjudicating the invalidity, the effect of which is to prohibit the use or uses described in Section 2.b.

c. The refusal of any person to purchase, lease, or lend money on the Title covered by this policy.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

CATIC



JAMES M. CZAPIGA, PRESIDENT