**INSTRUCTIONS FOR ALTA ENDORSEMENT FORM 3.1**

**ZONING – COMPLETED STRUCTURE**

**PURPOSE OF ENDORSEMENT**

The ALTA 3.1 Zoning – Completed Structure Endorsement provides coverage similar to that provided by the 3 (zoning classification and allowed uses). In addition to the coverages provided by the ALTA 3 Zoning Endorsement, this endorsement offers coverage against loss sustained by reason of a final decree either prohibiting the use of the land and any existing structures, or requiring the removal of a structure because of the violation of certain zoning ordinances.

**UNDERWRITING REQUIREMENTS**

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

1. Determine the current zoning classification of the land and determine the allowed uses in the zone (see underwriting requirements for Zoning 3). Place this information in paragraphs 1a. and 1b. of the endorsement, as applicable.
2. An up-to-date "as built" ALTA survey or equivalent, certified to CATIC, must be provided to CATIC sufficiently in advance of the closing for CATIC to review it.

The survey should contain a zoning matrix showing the following zoning requirements for the property in the subject zone and showing whether the improvements on the property comply with the zoning requirements regarding:

* 1. Area, width, or depth of the Land as a building site for the structure,
	2. Floor space area of the structure,
	3. Setback of the structure from the property lines of the Land,
	4. Height of the structure, or
	5. Number of parking spaces.

In order to issue this endorsement, the property cannot be vacant land and the improvements must be fully completed.

1. This endorsement must be reviewed and approved by a CATIC Underwriting Counsel prior to issuance.

**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 $0.50 per thousand dollars of insurance coverage. There is no agent split on this endorsement. The entire additional premium shall be remitted to CATIC.

**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 $1,000.00 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.

**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 3.1 is equal to $0.50 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. There is no agent split on this endorsement. The entire additional premium shall be remitted to CATIC.

**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. 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 3.1 ZONING—COMPLETED STRUCTURE 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:      ;

c. There is no liability under Section 2.b. if the use or uses are not allowed as the result of any 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 2.c. does not modify or limit the coverage provided in Covered Risk 5.

3. The Company further insures against loss or damage sustained by the Insured by reason of a final decree of a State or federal court having jurisdiction either prohibiting the use of the Land, with any existing structure, as specified in Section 2.b. or requiring the removal or alteration of the structure because, at the Date of Policy, the Zoning Ordinance has been violated with respect to any of the following matters:

a. The area, width, or depth of the Land as a building site for the structure;

b. The floor space area of the structure;

c. A setback of the structure from the property lines of the Land;

d. The height of the structure; or

e. The number of parking spaces.

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

a. 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.

b. 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