

Planning to do real estate work?

A primer on title insurance and the TitlePLUS program

If you're planning to do any real estate work when you go into practice, you'll soon hear about a resource used by many real estate practitioners – title insurance. It's a type of insurance coverage that lawyers across Canada are telling their clients about to help protect them against some typical problems that might crop up after closing – problems that in the past might have led to the client filing a malpractice claim against the lawyer.

Several companies offer title insurance – including LAWPRO, through its TitlePLUS title insurance program. This article provides a basic overview of the what and why of title insurance, how our TitlePLUS program is different, and where you can find more information.

What is title insurance?

As its name suggests, title insurance is an insurance policy for purchasers, mortgage lenders and existing owners of real property that provides compensation for losses suffered because of problems with title, survey, zoning and other issues with the property – even if they are not discovered until years after the transaction is completed.

Some of these issues are unpredictable or undetectable – such as forgery, fraud, missing heirs, and unregistered easements. Other problems that can affect a property and may be covered under a title insurance policy include issues such as construction liens, access rights and conflicting interests in a property.

When the lawyer in the transaction has secured a title insurance policy for the owner or mortgage lender, it is the title insurer – and not the lawyer or client – who assumes the risk for matters covered under the policy¹ and, if there are losses, pays compensation.

It is important to understand that title insurance replaces the title opinion and not the lawyer in the transaction. The role of the real estate lawyer remains just as important to ensure the client's interests are properly addressed and protected. In fact, depending

on the issue, a client may prefer that the lawyer do a search to determine the status of a matter rather than depend on title insurance and the right to be able to make a claim to an insurer at a later date.

What's different about the TitlePLUS title insurance program?

LAWPRO's TitlePLUS program is different in several ways:

- 1. Title + legal services coverage:** With TitlePLUS coverage, the legal services that you – as the lawyer in the transaction – provide are also covered by the policy.² So if as part of your services you make an error or overlook something (e.g., fail to register a document or remove an encumbrance, incorrectly adjust items on closing), the TitlePLUS policyholder – your client – can seek compensation directly from us. In other words, the error will not result in a claim under your LAWPRO errors and omission policy if you obtained a TitlePLUS policy for your client.
- 2. Online software that makes closings easy:** We make it easy for you to undertake real estate transactions by providing you with access to an online system to order title insurance policies.

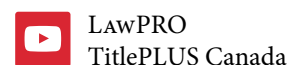
3. It's all-Canadian: In fact, TitlePLUS title insurance is the only all-Canadian title insurance product on the market today.

4. We advocate for the real estate bar: Each year, LAWPRO undertakes an extensive public awareness/education campaign on how a lawyer protects consumer interests in various scenarios – from buying a home or cottage to drawing up a power of attorney to the perils of running a home-based business. In the past few years, this effort to put lawyers at the forefront has reached millions of consumers across Canada.

How can you find out more?

Go to titleplus.ca for information on the TitlePLUS program, including How To videos.

For more information on some of the tools and resources for home buyers, see titleplus.ca/rsreg or watch our videos on YouTube. ■



¹ Title insurance policies may vary. Refer to the policy for full details, including actual terms and conditions.


² TitlePLUS policies issued with respect to properties in Québec and OwnerEXPRESS® (existing owner) policies do not include legal services coverage.


Help your clients protect title to their home





To keep in the know on Real Estate issues follow


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 **Proudly Canadian:** TitlePLUS title insurance¹ is the only all-Canadian title insurance product currently available in the market.


 **One-time premium:** Unlike other types of insurance, the premium for a title insurance policy is paid only once.

 **Direct coverage:** TitlePLUS title insurance works like other types of insurance; if there is a problem that is covered by the policy, the client simply contacts the title insurer directly to report a claim.

 **Cost savings:** A TitlePLUS policy can save the client money by eliminating certain searches and inquiries² and, in most cases, eliminating the need for an up-to-date survey. In a purchase policy, both the purchaser and the lender are covered under the same policy.


 **Title fraud protection:** A TitlePLUS policy provides coverage for title fraud that may have occurred prior to the purchase or if the property becomes a target at a later date.

 **Unpaid tax bills:** A TitlePLUS policy may provide coverage for final tax bills which the seller should have paid for – but didn't.

 **Building permits:** A TitlePLUS policy may provide coverage where repairs are required to items that were built by the seller without the proper permits or appropriate inspections.

 **Cottage/recreational properties:** These types of properties may have access and road allowance issues. If the client is not legally permitted to use the road which provides access to their property – they may lose it. A TitlePLUS policy can provide protection in these situations.

 **Encroachments:** A TitlePLUS policy provides coverage for a neighbour building a structure (after closing), other than a fence or boundary wall, which encroaches onto the property.

 **Legal services coverage³:** Unlike other title insurance products generally available in the market today, a TitlePLUS policy covers all the standard title related aspects of the deal PLUS the legal services provided by the lawyer.

¹ The TitlePLUS policy is underwritten by Lawyers' Professional Indemnity Company (LawPRO®). Please refer to the policy for full details, including actual terms and conditions. Contact LawPRO for brokers in Manitoba, Alberta and Québec.

² Some restrictions may apply.

³ Excluding OwnerEXPRESS® policies and Québec policies.

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