



Title insurance matters: One of these things is not like the other

You may recall the title as a lyric from a song in a popular kids show many years ago, reinforcing the benefits of being aware and noticing differences.

This same lesson applies when comparing the legal protection coverages offered by other title insurers that compete with the Legal Service Coverage that's included in TitlePLUS policies. The differences are not always obvious and often discovered after a claim, where coverage is not what was expected.

Unfortunately, the lawyer could then be facing a lawsuit from their client, professional reputation damage, and a paid claim under their errors and omissions coverage that may trigger payment of a deductible and claims levy surcharges, often resulting in additional costs of \$17,000 or more over the next five years.

Real Estate remains one of the highest in claims by area of practice, with LAWPRO reporting that 27% of new claims in 2021 were real estate related. As such, it is important to protect yourself and your clients by understanding the differences in the various legal protection coverages offered by title insurers.

Did you know that many legal service endorsements are subject to the same exclusions, limitations, and exceptions contained in the title insurance policy? Be aware, as circumstances may arise where the lawyer is exposed to liability and could be sued.

Scenario- A lawyer closes a purchase of vacant land but misses adding one of the PIN's on a transfer due to an administrative error. When their client attempts to later sell the property, the missing PIN is discovered to be in the prior owner's name. The client submits a claim under the title insurance policy. However, since coverage is limited to the land as legally described in Schedule A, the claim is denied. Further, although the policy included a legal protection endorsement, it is subject to the same exclusions, conditions, and exceptions of the title insurance policy and unfortunately, there is no coverage.

This claim scenario would have been covered if the lawyer had the Legal Services Coverage included in a TitlePLUS policy, as the policy explicitly states there is coverage if the lawyer:

“Commits an error or omission in providing legal services for the Transaction for which liability is imposed by law.”

Other common policies offered by other insurers are those that cover smaller error and omissions claims but have monetary claim payout limits. Limits on the amount of the claim are always a cause for concern, particularly because the average cost of a real estate claim is \$34,000. A TitlePLUS policy has no limitations on payouts other than the policy amount, and the industry standard inflation protection limit on the original policy amount.

Lastly, some legal service options require you to purchase the coverage each time you order a policy. This additional step can be easily missed, especially in a time of competing priorities and busy days. With a TitlePLUS policy, there are no extra steps. Legal Services Coverage is automatically included in most policies - no missed coverage, no extra input, and no extra charge.

TitlePLUS Legal Services Coverage stands on its own and is the coverage many legal professionals rely upon and trust. Visit [titleplus.ca](https://www.titleplus.ca) to learn more about the many new changes at TitlePLUS including TitlePLUS Legal Counsel Fees.

To learn about the many scenarios where TitlePLUS Legal Services Coverage would respond, watch this video <https://www.youtube.com/watch?v=nOAzv5U044U> ■

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