

TITLE INSURANCE

In the most general terms, title insurance is an alternative to a solicitor's opinion that protects purchasers and lenders from the risks inherent in real estate transactions. It is a means of insuring or indemnifying homeowners or lenders against loss or damage sustained as a result of covered title risks, many problems that would be revealed by an accurate, up-to-date survey/real property report, and non-compliance with the requirements of applicable municipal and regulatory authorities. Just as with a solicitor's opinion on title, a purchaser would work with a lawyer of his/her choice, who remains an integral part of the transaction and closing.

Some common examples of covered risks include:

- Liens, encumbrances, or defects in the title to a property.
- Tax arrears.
- Defects that would have been revealed by an accurate up-to-date survey/real property report.
- Force removal of an existing structure, other than a boundary wall or fence.
- Work orders, zoning and setback non-compliance/deficiency.
- Another party claims an interest in the property.
- Fraud, forgery, duress, incompetence, incapacity or impersonation.
- The land is unmarketable, which allows another person to refuse to perform a contract to purchase, lease or make a mortgage.
- Loss of priority due to matters such as construction liens, agreements registered on title, and other mortgages.

It's also important to note that title insurance is a one-time fee payable on closing when the property is purchased or refinanced (for lender coverage only). The policy remains in effect for as long as the insured has an interest in the property.