

DE RUBEIS, CHETCUTI LLP

REAL ESTATE LAWYERS

TITLE INSURANCE

What Is It?

Title Insurance is an insurance policy issued to an owner or lender which assures the condition of the title to the home at the time of the purchase or loan. In other words, it is assurance of the ownership in the land, including its size and the status of other potential interests in the land such as liens or easements. The policy is issued to you and your lender for a one-time fee and will serve as protection to you for as long as you own your home (and sometimes longer).

Typical examples of the coverage provided by Title Insurance:

- An error in the land registry records or City records results in an unknown mortgage or work order against your property. Your title insurance company will pay out or discharge this unknown defect;
- Your neighbour claims that he owns three feet of the property you just purchased. Your title insurance company will resolve the issue through payment to you or your neighbour or may hire a Lawyer to defend against the neighbour's claim (at the insurer's expense).

Isn't It Just For Properties Lacking A Current Survey?

One of the best known benefits of title insurance is the coverage afforded an owner or lender against title defects which a current plan of survey would have shown. Although a title policy does not replace the information you or your lawyer would receive from an up-to-date survey (the location of boundaries, fences, buildings, pools, additions, decks, sheds, etc.), it continues to be a less expensive closing alternative to completing a purchase and/or loan transaction. Depending upon a purchaser's intentions to improve the property after closing, a current plan of survey may still be necessary.

A title policy provides far more assurances to owners and lenders than simply "survey coverage". It also gives an owner or lender a no-fault, no cost method of resolving a covered title problem. The traditional method of protecting an owner or lender's title involves a lawyer performing an ever-expanding list of costly searches for any potential title defect. Based on such searches, the lawyer then gives a written opinion of title to the owner and lender.

If your lawyer obtains a title insurance policy as an alternative to the traditional opinion of title, there are certain benefits:

- where title defects exist, an owner or lender must normally claim against the lawyer based upon some error or omission on his part. A lawyer would not usually be liable for inaccurate or deficient search information he received from the public records;

- in most cases, the assurance provided by title insurance coverage is more comprehensive and includes a no fault procedure to make a claim if a title problem should arise (as in the case of your house insurance);
- it is more difficult in the traditional method to fix the "legal cost" of the transaction because the usual searches are often unpredictable yet will be passed on to the purchaser by the lawyer as "disbursements".

What Are The Costs of Title Insurance?

We at De Rubeis, Chetcuti LLP will recommend title insurance whenever we believe it is in our client's best interest. Title insurance eliminates the need for many costly searches including the cost of a current survey. This allows us to provide a fixed fee for single family homes :

\$1,199 plus GST plus \$70.70 each for the registration of transfer/deed and any mortgages.

Based upon our discussion over the years with our real estate clients and various real estate professionals, a fixed and competitive legal fee is the single most desired feature in the closing process. We believe our approach provides the best title assurance available and the best method of pricing our services.

Please feel free to call our office for a full explanation of our pricing policy and the costs of your real estate transaction.