

Title and Legal Advice Protection Options

| | Options → | Lawyers opinion \$\$\$ | Title Insurance \$ | Title Plus \$\$ |
|---|---|--|--|---|
| Risks: | Financial Implications↓ | Recourse Available | | |
| Undetected Title Matters that existed at time of purchase. | \$\$\$ Defective Title – could lose title to innocent 3Party | File a negligence claim with lawyer's mandatory malpractice insurer. | File a claim with Title insurer – no negligence required. ✓ | File a claim with Title Plus – no negligence required. |
| Fraud, forgery or false impersonation after closing. | \$\$ Could pay significant legal fees defending title | No Coverage | File a claim for losses with Insurer ✓ | File a claim with Title Plus ✓ |
| Lawyer's negligence on non-title matters like tax and mortgage advice. | \$ Increased tax liability or financing costs. | File a negligence claim with lawyer's mandatory malpractice insurer. | No Coverage | File a claim with Title Plus – no negligence required. ✓ |
| <p>Title issues <i>typically covered</i> by Title Insurance Policy:</p> <ul style="list-style-type: none"> ✓ someone else has legal interests in your title ✓ existing liens against the title ✓ violations of municipal zoning by-laws ✓ encroachments onto neighbouring property (other than fences and boundary walls) ✓ setback violations ✓ realty tax arrears ✓ outstanding municipal utility charges, provided such charges form a lien on title ✓ existing work orders ✓ lack of legal access to the property ✓ unmarketability of the property due to matters that would have been revealed by an up-to-date survey / RPR/ Building Location Certificate | | | | |
| <p>Title issues <i>typically excluded</i> from Title Insurance:</p> <ul style="list-style-type: none"> ✓ some rights governments may have in buyer's land; ✓ environmental hazards including well, septic tanks and asbestos issues; ✓ buyer's ability to change use of the land; ✓ buyer's right to undertake renovations or construction; ✓ in certain cases, native land claims; ✓ problems the buyer agreed to in purchase agreement or failed to tell title insurer about; ✓ if buyer did not buy home for "fair value" (for example, home was a gift). | | | | |