



presents.... Understanding Title Insurance

What is a title insurance policy?

A. Definition

A title insurance policy is a guarantee of good title which replaces a solicitor's opinion to the purchaser (and their lender, if applicable).

B. Title Insurance vs. Lawyer's Opinion

To explain title insurance in relation to a solicitor's opinion presupposes that one knows what is involved with a solicitor's opinion. In this regard it is beneficial to take one step back and look at what exactly a lawyer does in a real estate transaction, and in so doing it should be made clear that title insurance is not an alternative to using a lawyer on a transaction; rather it is an alternative to only one of the functions a lawyer serves, namely rendering the opinion to the purchaser.

In any real estate transaction a lawyer performs a variety of functions, which at the very least will include the following:

- draft the documentation
- advise the client regarding their rights and what they are signing
- render a title opinion to the Purchaser (and the Lender if applicable)
- generally oversee the transaction to a successful closing

The solicitor's opinion generally addresses two types of issues: title related matters (eg. ownership of the title including any restrictions or liens, and the validity and priority of any mortgages) and off-title searches (eg. legal use). Title insurance in Canada insures both the title to the property and the standard off-title matters. So a title insurance policy can replace one function, the opinion, but the lawyer remains central to the other remaining functions. In fact, the lawyer is necessary for the placement of the title insurance policy, since Bill 666 of the Ontario insurance regulations requires that a solicitor review the title and report to the insurer before a policy may issue. Thus, the title is still reviewed by the lawyer, but the results are reported to the insurer, who in turn insures the purchaser and their lender. The insurer, by the way, waives their right of subrogation against the lawyer in a title insured transaction

It will become apparent that words like "protect" and "assure" are used in relation to both a solicitor's opinion and a title insurance policy. They share the same goals and address the same issues. There is, however, a fundamental difference in the way the goal of "protecting" is achieved. One could say that a solicitor's opinion is proactive while a title insurance policy is reactive; one aims at what is, the other at what might be; one relies on investigation, the other on a guarantee. While there is allure in the idea of knowing through investigation, consider some of the practical limitations. First, the result of any investigation can result in nothing more than exactly what it is called: an "opinion". It can never be fact, and the very existence of written qualifiers in a solicitor's opinion attest to this limitation. A policy of insurance on the other hand,

while it does not pretend to address facts, provides absolute coverage. Second, consider the cost of obtaining the information necessary for an opinion. Third, consider the likelihood of a problem, and if there is a problem how readily can it be remedied by the insurer.

For illustration purposes a parallel can be drawn to buying a car. The purchaser has the option between taking the car to a mechanic who will pull it apart and investigate it (the lawyer's opinion), or alternatively buy a warranty that the car is roadworthy (the title insurance policy). You have to be careful with this analogy however because it suggests that either a solicitor's opinion or a title insurance policy might address issues of quality or functionality, which they do not; they address legal status! Nonetheless the analogy is useful in that it communicates the common objective yet fundamental difference in philosophy between the two approaches.

What is covered by a title insurance policy?

1. Title protection

First and foremost, a solicitor's opinion and a title insurance policy both assure that, as of the closing date, the purchaser has acquired good and marketable title and that the mortgagee(s), if any, have a good and valid charge thereon. This coverage addresses defects or restrictions in the chain of title, as well as other potential title complications such as Sheriff's executions, construction liens or tax liens

2. Off-title protection

Just like a lawyer's opinion, a typical title insurance policy covers losses that relate to the legal use of the property. In the context of off-title matters, most insurers will provide such coverage while waiving the requirement for a search with the relevant authority. Matters that are covered by the policy, usually without an inquiry, include the following:

- Executions against former owners
- Building & zoning (work orders, by-laws, permits)
- Tax arrears
- Water, hydro, gas arrears
- Subdivision/development agreement compliance
- Corporate status certificates
- Condominium status certificates
- Septic violations
- Unregistered hydro easements
- Conservation authorities
- Other local authority searches
 - Highway corridor building violations
 - Entrance permits
 - Hydro work orders
 - Fire Dep't work orders

3. Continuation of coverage

Like a solicitor's opinion, protection for covered risks under a title insurance policy continues for as long as the insured retains their interest in the property, and it expressly extends to spouses, children, heirs, beneficiaries under a trust or successor trustees.

Protection beyond a solicitor's opinion

A solicitor's opinion regarding a property is necessarily limited to the state of the property as of the closing date. Moreover, the opinion will invariably be qualified by the accuracy and authenticity of the searches obtained, both on and off-title, as well as any matters which might be revealed by an up-to-date survey. A title insurance policy does not necessarily have these limitations. For example, title insurance coverage includes:

1. Survey coverage

A title insurance policy protects against any defect that would have been revealed by an up to date survey. Rarely is a survey completely up to date; particularly given that original construction surveys are usually foundation only. Even if a lawyer has a new survey, the possibility always exists that the surveyor has made errors preparing it, and one must also bear in mind that only the original retaining party has privity of contract to sue the surveyor in this regard. All such matters are covered by title insurance.

2. Fraud, forgery, false impersonation

A solicitor's opinion cannot protect against acts of fraud or forgery and typical solicitor's opinion is qualified by "the authenticity of the title documents obtained". A title insurance policy, on the other hand, does protect against fraud, forgery or false impersonation. Fraud coverage under a title insurance policy extends to third party fraud and even solicitor fraud. In the case of mortgages it extends to fraud by the mortgagor(s). It is precisely because of this fraud protection and the high incidence of fraud claims that lenders are becoming so keen to insist on title insurance.

3. Errors in public records

All covered risks under a title insurance apply notwithstanding that problems were not disclosed due to errors in the registry office records or any other local authority searches. In contrast, a solicitor's opinion is necessarily qualified by "the accuracy of the searches obtained".

4. No fault recovery / human error

To err is human. Lawyers can and do miss things on searches and surveys. Fortunately, lawyers have errors and omissions insurance to protect themselves and their clients in the event of mistakes; however, recovery under this system entails an action against the solicitor in which the onus is on the client to establish negligence. Title insurance coverage, on the other hand, is absolute. Protection under the policy is not subject to the possible limitations of human error. Moreover, recovery is on a no-fault basis. The insured need only demonstrate a loss; they do not need to establish negligence.

5. Permanence & Security (death, disbarment, retirement)

Title insurance protection is not subject to the limitations of a lawyer's disbarment, death or retirement from practice. To the extent that the policies are generally backed by large, long standing US companies, the protection is stable and secure. Using Stewart Title as an example, Stewart Title has been in business since 1892, and all of Stewart's Canadian policies are backed by the US parent with revenues in the neighbourhood of \$1 Billion US. The company is listed on the New York Stock Exchange with more than 5,300 issuing offices world-wide.

6. Defence of title

A frequently overlooked benefit of title insurance is the insurer's duty to defend title. If at some point in the future someone else claims an interest in the land, the insurer has a positive duty to intervene and defend the title, which may include obtaining and registering documents or even funding litigation, as may be necessary. This applies regardless of whether the problem was present or discoverable on closing. A lawyer's obligation, on the other hand, ceases immediately after closing. When a future purchaser is hedging on a questionable requisition, the title insurer must defend the title and assert the invalidity of the requisition; something which would otherwise fall on the shoulders of the owner and their solicitor.

7. Known defects

If a problem is discovered during the search process, a solicitor can only either correct the problem (himself or through requisitions to the other solicitor), which may be impractical or impossible, or qualify his/her opinion. Since title insurance involves risk management, it has the ability to insure over known defects, either in whole or in part.

8. Other unknown defects

A title insurance policy can cover several matters which may be impossible to detect through surveys, municipal searches or other inquiries. For example, a title insurance policy will protect against losses arising because it is subsequently discovered that the septic bed lies outside of the property boundary. Another example: if the property taxes are reassessed and the Vendor owes money as a result, the insurer will pay the Vendor's portion of the reassessment. A solicitor's opinion cannot normally afford such protection.

9. Costs

A title insurance policy in Ontario almost always pays for itself in disbursement savings, and in most instances will reduce the net cost below that of a solicitor's opinion. How?

1) Reduced disbursements - searches not required

- building/zoning compliance (\$50 - \$200)
- tax certificate (\$15 - \$50)
- water / hydro / gas (\$11 - \$25)
- septic (\$50 - \$200)
- subdiv'n / devpm't agreement compliance (\$0 - \$60)
- corporate status searches (\$50 +)
- Law Society surcharge (\$53.50)
- sheriff's executions/writs beyond the current owner (\$11+) (Registry jurisdictions only)

2) Avoid the need for a survey (\$450 +)

10. Additional advantages of title insurance specific to lenders

a) Fraud - third party, mortgagor, solicitor

It has already been stated that title insurance protects the lender against fraud - be it mortgagor fraud, third party fraud or solicitor fraud. It is worth repeating in the context of mortgages. Mortgage fraud accounts for the largest dollar volume of claims in the title insurance industry, which reflects the risk to lenders and explains their eagerness to embrace title insurance. If you lend money, or if you have any friends, clients or mortgage brokers that are involved in private money lending secured by mortgages, they should be made aware of this fact.

b) Independent legal advice

A title insurance policy insures the validity and enforceability of the mortgage on the title. This means that if the mortgage is declared invalid, perhaps for example, because one of the parties failed to get independent legal advice, then the title insurance policy steps in. This is not to say that the solicitor is relieved from taking the appropriate precautions regarding ILA, but simply that if the lender runs into a problem in this regard, they are covered.

c) Post closing alterations by mortgagor

A good lenders policy will cover post closing alterations by the Mortgagor. A solicitor's opinion is limited to the state of the property as of the closing date - anything the mortgagor may do to violate municipal requirements after that becomes the bank's problem under enforcement proceedings - not so under a title insurance policy.

d) Assignability

A good lender's policy also runs with the mortgage in the event that it is assigned to a third party. Thus, for the purposes of marketing a mortgage portfolio, or even selling a single mortgage receivable, the mortgage has added value in that the mortgage comes pre-protected.

e) Enhanced mortgage portfolio

A mortgage portfolio which is comprised exclusively or even primarily of title insured mortgages has enhanced marketability because of all of the aforementioned protections. This has relevance when selling the mortgages. It also has great relevance for lenders who securitize their mortgage portfolios; since a title insured portfolio has better security and value, it affords the mortgage holder lower borrowing rates.

What is not covered by a title insurance policy?

In discussing title insurance with purchasers, real estate agents should be aware of the types of issues that are not usually covered by a title insurance policy. If the purchaser requires certification on such matters, they should look to the services of their solicitor and should make it clear that they expect such services to be encompassed within the solicitor's retainer (as many of these things will not normally be part of a solicitor's retainer). In this regard, purchasers may want to consider the following:

1. Functionality or quality

A title insurance policy will not address issues of quality or functionality - i.e., it does not guarantee that the house is well built or that things work - unless, of course, such defects are noted in municipal records. Rather, the policy will generally address the legal status of the property as it exists on record. This is consistent with the notion that a title insurance policy is designed to protect a purchaser to the extent that a perfect solicitor's opinion could do so. A solicitor's opinion will not certify as to matters of quality or

functionality. For this type of comfort a purchaser should look to the services of a certified home inspector prior to firming the deal.

2. Environmental contamination

Any concerns regarding soil contamination or toxic pollutants on the property should be addressed by obtaining an environmental audit. Such certification is not covered by a title insurance policy and is usually not included in a solicitor's opinion.

3. Water potability or quantity

Title insurance does not cover water potability or quantity. If the property is serviced by a well, a purchaser should seek the usual protections which normally include a Vendor's warranty, as well as obtaining a water potability test (ideally more than one, and preferably not one supplied directly by the Vendor) and a well driller's certificate (if available).

4. Legality of rents

Landlord liability for illegal rent increases or other claims arising from residential tenancy legislation are not matters covered by title insurance. Where tenanted properties are concerned, a purchaser will want to seek the usual comforts in the form of landlord warranties, tenant acknowledgements and/or a search with the local rental authority.

5. Fire retrofit compliance

Many jurisdictions require that, notwithstanding that a multi-unit use may comply with the zoning by-law, or may be otherwise legal non-conforming, the multi-unit use can nonetheless only be legal if a fire retrofit inspection has been done. While title insurance does cover work orders and zoning related matters, it does not cover fire retrofit compliance. In other words, it does not insure that any retrofit inspections required as a prerequisite to the use being legal have been done, nor does it insure that the property would pass any such inspections. .

6. Inspection Results

Title insurance is not a warranty regarding quality or fitness for purpose, but rather a protection regarding matters that could be disclosed by a local authority search. In this regard it is important to recognize the distinction between a search of records and a request for inspection. For example in some jurisdictions (eg. Hamilton) it is customary to not only order a septic records search, but to actually have an inspector attend at the site to inspect the system. Similarly, some jurisdictions (eg. Kapuskasing) require that all multi-unit properties be inspected by the building department every time they change hands. In these circumstances, the required inspections should still be requested, as the title insurance policy will not protect against the results of an inspection.

7. Transfer / Assignment Fees

Recently the Ministry of Transportation has begun requiring the payment of a transfer fee on transactions involving properties that have access to/from Provincial Highways. While a title insurance policy will cover the legal status of the property in this regard, it does not waive the requirement that any such transfer or assignment fees be paid where the insured or the lawyer are aware that the payment is due.

8. Chattels

When significant chattels are included in a purchase or when a transaction involves the likes of a mobile home, consideration will need to be given to a PPSA search and registration, as ownership of chattels is not covered by title insurance.

9. Future use considerations

A title insurance policy generally covers the current legal use of the property. It will not protect any future intended change in use. If a purchaser has aspirations of changing the use, for example from single family to multi-unit, or from residential to commercial, then they should seek the assistance of a lawyer who may prompt them to satisfy themselves due to the speculative nature of such issues.

10. Cost of moving fences or boundary walls

A title insurance policy covers property loss issues associated with a misplaced fence or boundary wall; however the cost of moving the fence or boundary wall is an exclusion under the policy.

Exclusions under the policy

1. Losses resulting from failure to report the claim on a timely basis

Pursuant to the title insurance policy, an insured has an obligation to report any claims immediately upon becoming aware of same. Failure to do so could limit the insurer's ability to mitigate losses; consequently the insurer will not be accountable for the losses suffered as a result of the delay.

2. Post closing changes in by-laws or government regulations

A title insurance policy does not protect against post closing changes in governmental regulation. Examples of exclusions under this heading would include: re-zoning (for example, from low density to high density or from residential to commercial), restrictions on further development, or municipal service improvements and compulsory levies associated therewith.

3. Post closing expropriation

A title insurance policy does not protect against a compulsory acquisition by the government or the failure of the government to pay a reasonable price for same (unless resulting from a prior title defect).

4. Title risks created or allowed by the insured

As with most insurance scenarios, coverage may be voided where the title risk is created or allowed by the insured. So, for example, a claim for an illegal structure will be denied where the insured was the person who built the structure. Similarly, it will be denied if the insured, with a view to establishing a claim, prompted the municipality to inspect an existing structure. Another example, despite defence of title coverage under the policy, a claim will be denied where the insured consented to a post-closing encroachment by the neighbour and then changed their mind and wanted the encroachment removed.

5. Title risks agreed to by the insured

Where the agreement of purchase and sale expressly allows for a title defect and it is not remedied prior to closing, the specific defect should be made known to the insurer and may not be fully covered under the policy. An example would be a clause acknowledging that the deck was built without a permit and obligating the Purchaser to close notwithstanding. Consent to a defect on the part of a Purchaser might not be expressly set out in the agreement, but may be by collateral agreement or it may simply be implied based on obvious circumstances. It is worth noting that private agreements such as road sharing agreements or well agreements will usually form express exclusions to the policy. While the policy may cover compliance with the terms of the agreement up to the closing date, it will rarely guarantee post closing compliance; i.e., that the parties will continue to honour the agreement. This is consistent with the notion that the agreement and the risks associated with it were consented to by the insured on closing.

6. Title risks known to the insured prior to closing

When an insured is aware of a problem with a property, the insurer should be advised of the problem, as former knowledge of a problem may form an exclusion under the policy. In many instances a title insurer will insure over a defect and give the owner some form of coverage - for example, forced removal coverage - as well as a commitment to re-insure any future purchasers on the same basis. Moreover, under such circumstances a title insurer will usually give any lenders full marketability coverage in order to allow financing to proceed.

7. Title risks that result in no loss

Title insurance covers actual losses. Simply becoming aware of a municipal violation or a title defect does not give rise to a claim unless the problem manifests itself as a loss. A loss would typically take the form of a refusal by a third party to perform a contract (eg. a mortgage or a sale) or forced compliance by the municipality or a neighbour. Having said this, if a Purchaser discovers a defect after closing, even though it may not result in an immediate out-of-pocket expense, the insurer should nonetheless be put on notice immediately so that they have the option of remedying the defect immediately.

8. Failure to pay value for the title

While a title insurance policy covers the marketability of the property, it does not guarantee that a future purchaser will not default on the transaction for other than legitimate marketability reasons. In other words, if the future purchaser simply does not come to the table on closing, that's not covered.

9. Lack of right in adjoining lands

Coverage is limited to the limits of the property as set out in the legal description. It does not extend to any lack of rights in adjoining lands unless they are expressly included in the legal title by easement, right of way, agreement or other means. In a similar vein, title insurance will not protect the marketability of property based on the use of adjoining lands. For example, a purchaser may suffer a drop in value because it turns out the neighbour uses their property in a displeasing manner, or because the adjoining ravine is not environmentally protected after all.

The title insurance process

Whether a transaction proceeds by title insurance and/or a lawyer's opinion must be the clients decision, and it must be an informed decision. Consequently, the Purchaser should make the final decision to insure after speaking with their lawyer. Pursuant to the Law Society Rules of Professional Conduct, lawyers have an obligation to advise their clients about the option of title insurance. Advising the client means that they must be provided with sufficient information to make an informed decision. It is also a decision that should be made at the outset of the file, as it may dictate the searches required by the Purchaser's lawyer. Deciding to title insure after all of the municipal searches have been done will negate most of the cost savings, and may inhibit the ability of the policy to insure over a defect. If a defect, for example a zoning violation, becomes known through municipal inquiry, it becomes qualified under the policy; had the defect never been revealed the Purchaser would have acquired full coverage. Thus it is important that the client be made aware of the option of title insurance early on, and that they make the final decision after discussion with a lawyer.

Having elected to proceed with title insurance, the transaction proceeds as normal, save and except that the lawyer may not be performing some of the off-title searches not required by the insurer. The lawyer arranges the policy prior to closing and will review the policy - or at the very least the relevant exceptions set out in the schedules - with the client. The lawyer then remits the necessary premium to the insurer after closing, who in turn forwards the original policy back to the lawyer.

How are claims handled?

A. The claim submission process

The insured should report a claim in writing to the insured immediately upon discovering same. Accompanying the claim should be an explanation of the loss, a dollar amount (estimated if necessary) and the policy number under which the claim is being made. If time is of the essence, this should also be made known to the insurer. The insured should then not take any further action in resolving the matter, without the consent of the insurer.

B. Resolving a typical claim

When presented with a claim a title insurance company will assess all of the options on how to best resolve the problem. The solution will depend on a variety of factors, such as the willingness of the parties involved, the time available and the economics associated with each option. Pursuant to the policy, an insurer has the right to decide whether to pay the claim, negotiate a settlement with the other side, prosecute or defend a court case, or take other action which will protect the insured. Because the nature of claims is so varied, so too is the nature of claims resolution. The following is but one example of the process that an insurer might go through in resolving a claim (bear in mind that these facts are for illustration only):

Facts:

It is one week before closing and the Purchaser has just received their new survey which reveals that the rear deck encroaches 1 foot into the neighbour's yard. Fortunately the Vendor title insured when they acquired the property, and accordingly their lawyer contacted the insurer as soon as the requisition was received. The insurer does the following....

Solution:

First the insurer will confirm that the requisition is valid (i.e., on time, clearly a problem, etc.) and confirm it is a valid claim (i.e., covered by the policy). Second the insurer will likely offer to insure the Purchasers, probably for free. This offer might be accompanied by an unconditional indemnity against any loss, notwithstanding that they are now dealing with a known defect. The Purchaser may elect not to accept the policy on the basis that the agreement provides for "marketable" title, not "insurable" title. Third the insurer might offer a reasonable abatement to the Purchaser. Fourth (or perhaps as an alternative to number three), the insurer may attempt to correct the problem if it can be done before closing, or alternatively give an undertaking to do so. In the example at hand, fixing the problem might include hiring a contractor, obtaining a permit and reconstructing the deck in a manner that complies. If money is required to secure performance of an undertaking, then the insurer might provide same to the Vendor's lawyer to be held in trust. Any additional fees levied by the Vendor's lawyer in negotiating these matters would be the responsibility of the insurance company. Fifth, if the Purchaser won't accept any of the foregoing and refuses to close, the insurer may be required to take the matter to a Vendor's & Purchaser's Court Application, which will establish the parties obligations and whether the resolutions offered by the insurer are sufficient to compel the Purchaser to close. Finally, if all else fails and if the Purchaser refuses to close on a legitimate basis, the insurer may be required to close the transaction with their funds and re-list the property; they have, after all, insured marketability.

Drafting the Agreement of Purchase and Sale

There are some things to bear in mind when drafting the Agreement of Purchase and Sale on a title insured transaction:

- a) Retain the usual warranties

Because a transaction is title insured, do not remove any of the usual Purchaser protections in the form of warranties that a Vendor might normally supply. For example, although a title insurance policy may have a septic endorsement, recall that it does not cover functionality. The Purchaser will still want a warranty from the Vendor that the system has worked up to closing. Similarly, recall that title insurance does not cover water potability. The Purchaser should still have the usual warranties regarding potability and quantity. Tenanted properties should still accompany the usual warranties and acknowledgements regarding landlord-tenant disputes and terms of the leases.

b) Be knowledgeable about the offer to “insure over”.

Recall the distinction between forced compliance coverage and marketability coverage. When a vendor offers to answer a problem with a title insurance policy, the purchaser must be fully aware of what is being offered; is it forced compliance coverage in the event that the problem manifests itself, or is it full marketability coverage. This is not to say that the former coverage has no value, but simply that it is not sufficient to simply say “it will be title insured”.

b) Be knowledgeable about the distinction between “marketable” and “insurable” title.

The standard form OREA Agreement calls for “marketable” title. There is a distinction between “insurable” and “marketable” title. For this reason, it is unsettled whether offering a title insurance policy (qualified or not) in satisfaction of a legitimate title requisition is a satisfactory answer to that requisition. A Purchaser’s lawyer can always choose to refuse the title unless it’s clean. Thus, the best place to influence the applicability of title insurance is in the wording of the Agreement of Purchase and Sale which will be binding on all parties. Ideally, Vendor’s would like to see the standard OREA form changed to read “marketable or insurable title”. In the interim however, the agreement can be changed to address specific facts. For example, whenever dealing with known deficiencies the Vendor should insist that the Agreement allows for the use of title insurance to answer any requisition regarding the specific problem. To avoid argument, it is preferable that the clause set out exactly the type of coverage that would be afforded, which may necessitate a call to a lawyer or directly to the insurer. The wording might read as follows:

“Purchaser acknowledges that the deck was constructed without a permit and agrees to accept the property on this basis; provided that the Vendor shall furnish the purchaser with a policy of title insurance at the expense of the Vendor which will insure the Purchaser against any forced removal of the deck and will commit to re-insuring future purchasers on the same basis, but will not allow coverage for marketability in connection with this issue.”

Conclusions

Title insurance should always be presented as an option because it is required by the Rules of Professional conduct and because title insurance makes good legal and economic sense. Even if money is no concern and your client insists on obtaining a new survey and a lawyer's opinion and a home inspection, they should still be made aware of the additional benefits of a title insurance policy; protections which cannot be obtained through any other means (see advantages of title insurance over a solicitor's opinion).

Title Insurance has particular application in any of the following scenarios:

- The purchaser is proceeding with anything less than a brand new survey
- The parties require a quick closing which may prohibit full searches
- Money is tight and the purchaser is desperate to keep costs down
- The client is of the mindset that they are going to buy despite any problems

There are a number of transactions which fall into the category where title insurance could so obviously benefit the client that a failure to recommend title insurance could be tantamount to negligence:

- A purchaser buying "as is, where is" under power of sale
- A purchaser signing an agreement in which he agrees to accept known defects

A Purchaser's decision does not necessarily have to be limited between title insurance or a solicitor's opinion. The Purchaser may insist on both, or may use a title insurance policy but insist that the lawyer perform some or all of the off-title searches, with or without a new survey. The important point to keep in mind is that, because a title insurance policy can provide a guarantee which goes beyond the realm of a solicitor's opinion, at the very least title insurance can form solid foundation for the protection.

Finally, a lawyer's interest in title insurance can be summarized in four main points:

- 1. Superior protection for clients**
- 2. Keep the practice cost competitive**
- 3. Streamline the administration of files**
- 4. Significantly reduce liability**

The foregoing information is based on the practices and policies of Stewart Title Guaranty Company and may not apply to those of other insurers. For example, not all insurers will waive septic, building and zoning inquiries in all circumstances. Moreover, not all insurers will provide coverage for vacant land or commercial transactions. The foregoing descriptions of coverage and examples have been used for illustrative purposes only and should not be treated as a statement of definitive policies or a commitment to insure in any particular context. None of the precedents or information contained herein are intended to be legal advice and it is strongly recommended that a lawyer be consulted in every circumstance. Should you require specific underwriting information or have any further questions about title insurance, please contact a lawyer or Stewart Title at (416) 307-3300 or (888) 667-5151.

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