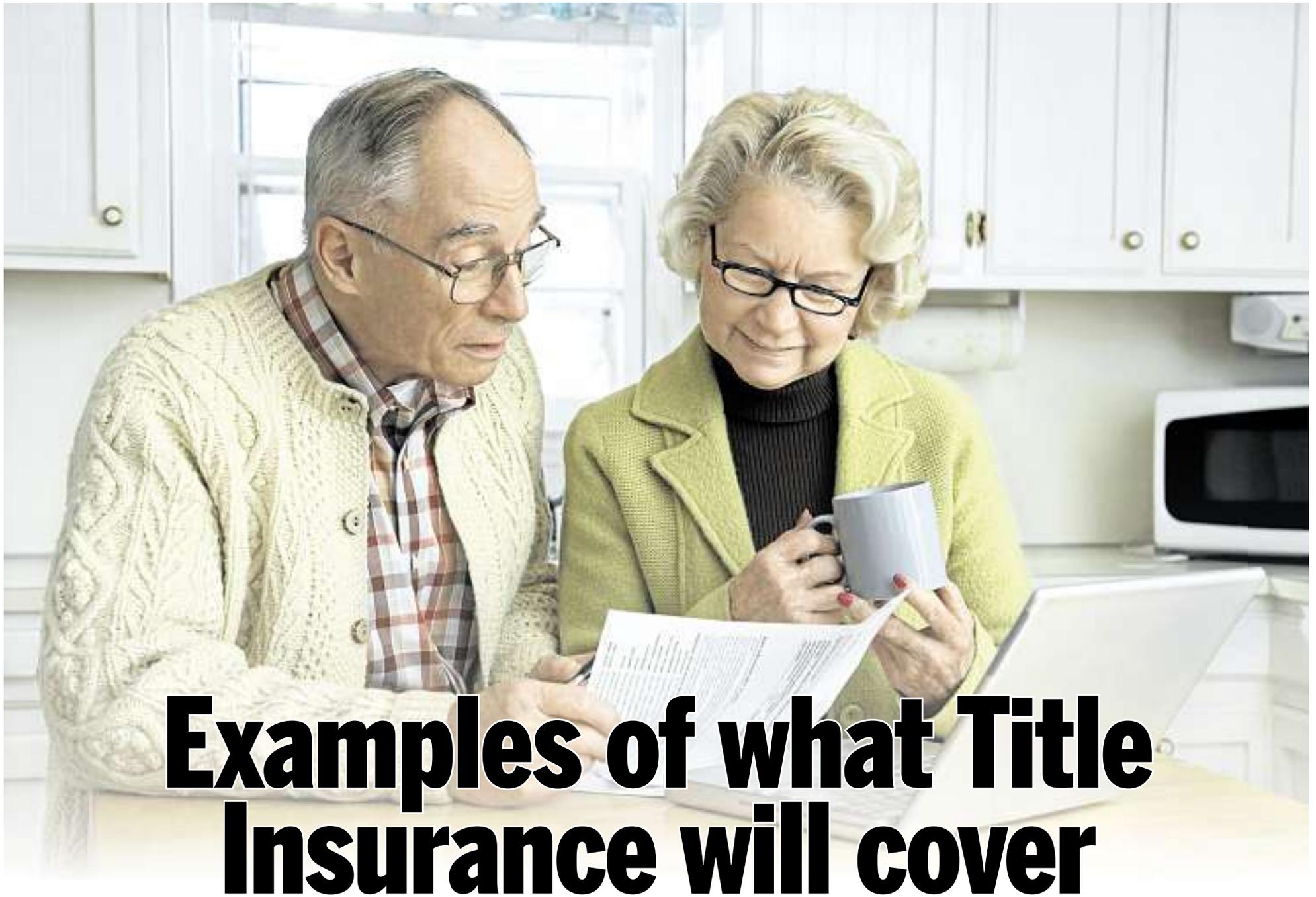




REAL ESTATE LAW



Examples of what Title Insurance will cover



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Stolen Identity

In a previous article, we wrote about the history of title insurance and provided a short list of the types of losses that would be covered by an owner's title insurance policy. In this article, you will find a few examples of successful claims that provide more detailed descriptions of what title insurance covers. These examples come directly from a title insurer and are just a few examples of the numerous claims they receive each year.

Upon his return home from an extended vacation, the insured homeowner was contacted by an investigator of a major financial institution and advised that when he was on vacation, a fraudster had assumed his identity for the purpose of transferring the homeowner's property to another individual. Once the transfer was complete, the property was used to obtain financing from the

lending institution. Unfortunately, the lender was looking to the homeowner for the mortgage to be paid.

Upon receiving notice of this claim, the homeowner's title insurer immediately retained counsel to make the necessary court application to have the homeowner's title restored to the state that it existed prior to the fraud so that the fraudulent mortgage was not enforceable against the homeowner.

Outstanding Water Arrears

A homeowner purchased a residential property and shortly after closing, received a water bill showing interest and arrears in the sum

exceeding \$4,000. An investigation into the matter revealed that the previous owner had not paid water charges for years and the municipality had never cut off water supply to the property.

The title insurer confirmed coverage and paid the water arrears and interest owed by the prior owner.

Property Mix-Up

A homeowner purchased a new home from a builder. On the day of closing, the purchaser moved into the home as planned and resided there for eight years. It was later discovered that although he had taken possession and was occupying the property he had always intended to pur-

chase, he actually held legal title to the adjacent property.

The title insurer agreed to pay the homeowner's legal fees and disbursements to rectify the issue by obtaining title to the correct legal description of the property where the homeowner was residing.

These are just a few situations where title insurance assisted the homeowner in covering issues that were discovered and were beyond the homeowner's control. If you have questions about title insurance when purchasing a property, talk to your lawyer and see which title insurer the lawyer uses and obtain a copy of the title insurance policy.

If you already have a title insurance policy and believe

you might be in a situation similar to one mentioned above, note that all claims are assessed on their individual facts and are reviewed in the context of the policy language of the policy issued to the insured. Should you believe that you may have a title insurance claim contact your title insurer as soon as possible after you become aware of the facts that have led to a loss you believe is covered under your policy.

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