

Residential Title Insurance

What is "Title?"

"Title" is a word lawyers use to describe the right of ownership to land. When you purchase a home, title is transferred to you, the new home owner.

What is Title Insurance

Title insurance is an insurance policy that protects you, the home owner, against challenges to the ownership of your home or from problems related to the title to your home. The policy provides coverage against losses due to title defects, even if the defects existed before you purchased your home. A title defect is a problem with the title which prevents free and clear ownership. There are many types of defects such as rights of way, encroachments (from neighbouring properties), unpaid liens, etc.

Title insurance policies protect you for as long as you own the property. It protects against a number of risks that a solicitor's opinion on title may not cover. These risks include:

- ✓ Fraud and forgery, including someone taking your title through fraud or forgery
- ✓ Encroachments that would be disclosed by a new survey (for example, a neighbour's deck being partly on your land).
- ✓ Easements (the right acquired for access to or over another person's property for a specific purpose, such as for a driveway or public utilities. This is referred to as "servitude" in the Province of Quebec) over the property that would be disclosed by a new survey
- ✓ Zoning non-compliance (i.e. where the property use does not meet the local municipal by-laws)
- ✓ Someone other than the home owner having interest (i.e. a previous owner of the property not being discharged from title)

Title insurance is generally purchased when you buy your home or when you refinance it, although it can be purchased any time after you buy your home. You will only make one premium payment when you first buy the insurance. A title insurer can tell you how to purchase the policy

How do I know if I need title insurance?

If you are purchasing or refinancing your home, you should discuss title insurance with your lawyer/notary to see if a title insurance policy is right for you. Your lawyer/notary can arrange the purchase of a home owner's policy.

Benefits of Title Insurance

Comprehensive Coverage – the policy can provide broader coverage than a solicitor/notary's opinion on title as well as post purchase fraud coverage.

Peace of Mind – as the policy covers the items outlined above, you can rest easy knowing if there are defects affecting the title of your home that are covered by the title insurance policy, your title insurer will take steps to rectify the problem.

One time cost: the premium is usually due at the time of closing for purchases or refinances. Some insurers permit you to purchase title insurance at any time