



# TITLE INSURANCE

By purchasing title insurance, homeowners are protecting their ownership to their property, and their lender's priority in the mortgage against losses arising from various title and off-title risks.

Title insurance is an insurance policy covering the condition of title or ownership of real property at the time the policy is issued and is used to provide ownership protection for a purchase against losses or damages suffered as a result of title problems. By purchasing title insurance, homeowners are protecting their ownership to their property, and their lender's priority in the mortgage against losses arising from various title and off-title risks.

Policies can be issued for residential dwellings of up to six units, vacant land, condominiums, cooperatives, leased land, and cottages.

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## THE POLICY PROTECTS THE PURCHASER AND MORTGAGE LENDER AGAINST LOSSES SUFFERED FROM CERTAIN MATTERS, SUCH AS:

- Defects that would have been revealed by an up-to-date survey
- Survey errors or illegibility of survey
- Encroachments (before or after closing)
- Work orders
- Lack of legal access to the property
- Contravention of municipal zoning by-laws
- Unmarketability of title due to adverse matters that would have been revealed by an up-to-date survey/ RPR/ Building Location Certificate
- Defects in title
- Invalidity or unenforceability of the mortgage on title
- Liens
- Easements (other than usual easements for utilities, etc.)
- Contravention of subdivision, development and other agreements
- Priority of certain construction liens
- Priority of unregistered easements and rights of way
- Fraud or forgery (prior to and after closing)
- Solicitor error, omission or fraud
- Unpaid property taxes or local improvement charged by a prior owner

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## IN ADDITION TO POLICY COVERAGE, THE INSURED ALSO RECEIVES:

- Indemnity for actual loss or damage for the amount of the policy (being the price paid for the property) and automatically increasing coverage (with inflation and rising property value) overtime to a coverage which can be double the price originally paid for the property.

- Payment of legal fees and costs to address title issues a "no-fault" method to resolve title problems.

In Ontario, the Law Society requires all lawyers, when acting for purchasers, to inform their clients about title insurance and its advantages. It is important you are aware of the advantages of title insurance when deciding on purchasing a home. Because title insurance is available for a low onetime premium and contains no deductibles, the degree of protection it affords is well worth it.

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