

WELCOME TO BELL SPAGNUOLO LEGAL OFFICES

March 8, 2004

TITLE INSURANCE – AN EXPLANATION

Title Insurance is a form of insurance policy that protects purchasers from a number of potential risks.

These risks are usually matters which are not covered by a traditional lawyer's due diligence. Briefly summarized, these added protections include the following:

1. **Defects that would be revealed by a new Survey.** In the absence of an existing survey, Title Insurance may be ordered in lieu of a new survey. Please note that this assumes that a new survey must be ordered. If the vendor is able to provide an older survey or if the applicable City Hall has a survey certificate, these may usually be utilized. Title Insurance also insures a defect that would be revealed by an existing survey such as an encroachment of a neighbour's building onto the adjacent property. The most famous example is a swimming pool located on a residential property in Calgary which has 14 Easements, Rights-of-Ways or Covenants some of which affected the pool. The Lender was able to provide financing based on the strength of the Title Insurance Policy.
2. **Fraud, Forgery or False Impersonation.** A Title Insurance Policy is not qualified by "the authenticity of the title documents obtained." What this means is that if an innocent person acquires an interest in a property from someone who is acting in a fraudulent manner (for example a false vendor), they can be compensated. The lender is also insured in the event of lawyer or third party fraud.
3. **Errors in Public Records.** While this is not as relevant in British Columbia given our Torrens System, Title Insurance does cover errors in public records, including incorrect information on Tax Certificates.

For answers to any questions on Title Insurance, please call us at 604-461-2024 or [email us](mailto:bs@bellspag.com) at bs@bellspag.com.

Please remember that Title Insurance may frequently change along with the coverages and while we try to keep our website up to date as much as possible, please do not rely upon the information without talking to one of our lawyers.

The information you obtain at this site is not, nor is it intended to be, legal advice. You should consult a lawyer for individual advice regarding your own situation.

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