



Technology: Setting TitlePLUS Apart


Through our TitlePLUS initiative, LAWPRO has been offering title insurance in Ontario for over 5 years. We have since expanded both eastward and westward, as part of our commitment to a long-term position across Canada. As a consequence of our program of continuous improvement aimed at the real estate sector, we have enhanced and streamlined title insurance and document processing through our trend setting Web-based technologies.

The TitlePLUS program is unique in many ways. First, we do not believe that a centralized, single-source document production and management centre is the most efficient means for delivering services to financial institutions. Nor does it best serve the needs of your customers. Instead, our products are delivered through lawyers who are in locations convenient to those clients. While physically distributed, these lawyer service-providers are linked by best-of-breed software and operate under demanding processing and due diligence guidelines. As such, we provide the best of all possible worlds to the lender, the consistency of a single provider with the choice that best serves your customers.

Because our Web delivery channels are accessible 24 hours per day, seven days per week, the potential for delays in processing and delivery of services is minimized. Our TitlePLUS policy provides more protection for the lender than industry standard policies as the TitlePLUS legal services coverage provides protection for the lender for all the work the lawyer does on the transaction – work that may not fall under traditional title insurance coverage. Read more about the TitlePLUS Legal Services coverage on page 3.

When we developed TitlePLUS, we reviewed and assessed the numerous risks in various types of real estate transactions. The result was a customized and fully automated Web-based due diligence system that provides superior, streamlined processing without sacrificing the quality of investigation performed. This approach produces the highest level of customer satisfaction because problems are identified and resolved as part of the process.

There are over 2,100 real estate lawyers in Ontario alone who are authorized providers of our Web-based

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National Rollout

LAWPRO has announced the next step in a national rollout of its TitlePLUS title insurance products: Effective immediately, lawyers in Manitoba and Alberta¹ can secure TitlePLUS title insurance coverage for consumers who buy or refinance property. We have also recently been granted a license in British Columbia and will be preparing to launch TitlePLUS in that province in the very near future. TitlePLUS is already widely used by lawyers to insure purchase and refinance/mortgage-only transactions throughout Ontario and is growing in

Atlantic Canada. The ultimate goal is to make TitlePLUS products accessible to lawyers in jurisdictions across the country.

Lawyers outside Ontario can easily access TitlePLUS coverage for their transactions by contacting the TitlePLUS hotline at 1-800-410-1013 to request a TitlePLUS policy or by completing and faxing an application form which they can access from the TitlePLUS Web site (titleplus.ca) or from LAWPRO directly¹.

We complete all of the necessary paperwork and provide the lawyer with a draft TitlePLUS policy

and other materials to review with the client.

¹ In Alberta, contact Phoenix Group Edmonton Inc. at 780-482-6936 for information.

Legal Services Coverage

Legal services coverage is what distinguishes TitlePLUS coverage from the other title insurance policies generally available in the market for purchasers and lenders.

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TitlePLUS products. This gives you the flexibility to out-source your back-office by utilizing 2,100 “virtual storefront” operations.

Our breadth and depth of expertise ensures that we are well attuned to emerging real estate and legal trends. These are quickly captured and released in our ever evolving software solutions.

We have **real** on-line Web-based file management and document production capabilities. This means that documents can be created and distributed, and data exchanged on an automated basis, minimizing routine human processing. Simply stated, there is no faxing or e-mailing of instructions, no delays awaiting the manual preparation and return of documents, nor follow-up required with respect to reporting and obtaining post-closing material.

Through our strategic alliance with LawyerDoneDeal Corp., lending institutions can create loan instructions and mortgage commitments on an automated on-line basis without acquiring additional desktop software. Furthermore, we offer financial institutions custom-made administrative services. Lenders have the option of receiving automated reporting – reducing delays in receiving lawyers’ final reports. These reports, provided monthly or at other intervals to suit the lender, will provide all mortgage details for transactions completed within the specified timeframe. As well, this report will provide information on title insurance, borrowers, priority, mortgage details, as well as any other customized information required by the lender. All of our reports are automated and available through our Web site around the clock.

Transactions processed through our Web-based platform provide

the optimum blend of streamlined processing and enhanced lender protection. Web-based and centrally controlled document production provides assurance of instant and accurate creation of mortgage documents.

In summary, the TitlePLUS Web-based approach combines all of the centralized processing efficiencies with access to over 2,100 different storefronts – where ever your customers live. Moreover, you have the knowledge that your borrowers will close their transactions in the presence of a lawyer who is qualified to answer their questions and explain the documents they sign.

Market Trends

It is estimated that approximately 50 per cent of residential real estate purchases in Ontario today are title-insured, up from approximately 30 per cent last year. As well, upwards of 85 per cent of refinance/mortgage-only transactions now have title insurance coverage.

What is “Legal Services Coverage”?



In the traditional lawyer’s opinion method of assuring title, the purchaser/lender relies on the lawyer giving the opinion on title; if a problem is discovered after closing, the lawyer would have to be sued in negligence. However, if the lawyer has acted reasonably in accordance with the standard of practice (or the lawyer couldn’t have discovered the problem, as is often the case with fraud), there may not be a valid cause of action.

In a title insurance regime, the client only needs to prove that the problem exists and that the problem falls within the terms of indemnity in the contract (in other words, it falls within the “risks” covered).

For advice-related problems, the client still must often sue the lawyer in negligence even though the client purchased a title insurance policy (for example, if the lawyer neglects to send the mortgage guarantor for independent legal advice).

Under the TitlePLUS policy, title problems as well as advice-related problems for the transaction fall within coverage, because of the legal services coverage.*

Legal services coverage is what distinguishes TitlePLUS

coverage from the other title insurance policies generally available in the market for purchasers and lenders.

Legal Services Coverage:

- insures all services the lawyer provides for the transaction, in case the lawyer commits an error or omission in the transaction for which liability is imposed by law;
- means that the clients cannot be worse off by obtaining TitlePLUS coverage than they would be if they obtained a lawyer’s opinion;
- insures the client for the lawyer’s advice in the client’s choice of title insurance;
- applies regarding environmental and native rights issues, to the extent the lawyer acts negligently.

The TitlePLUS policy specifically covers failure to register documents or remove encumbrances and improper adjustment of any item on closing.

Advantages for the Lender Client

The greatest benefit for a client in having the legal services coverage combined in the title insurance policy is that there is no possible gap between the title coverage and a lawyer’s Errors & Omissions (E&O) coverage – everything (advice included) falls into the one policy. The client cannot be caught between two insurers who disagree on whether the claim is one that should be recovered under the title insurance policy (because the claim falls within the title insurance contract), or the negligence-based professional liability coverage provided by the lawyer’s E&O policy (because the claim is based on a failure of the professional advice

or services provided). Ultimately, the position of the client may be the same whether they recover from the title insurer or LAWPRO. The benefit is in avoidance of a potential conflict over who is to pay.

Availability of recovery against the lawyer (and the E&O policy) may be limited for various reasons, which include the following:

- the lawyer’s professional liability policy has a limited lifespan and may not be in force at the date on which a claim is made due to the death, retirement or disbarment of the lawyer; coverage under the TitlePLUS policy is available for the life of the insured’s interest in the property, which has the potential to exceed the life of the lawyer’s E&O policy or the availability of recovery against the lawyer personally;
- if the lawyer has retired and has run-off coverage, the policy limits on that coverage will in the usual course be reduced, usually to \$250,000;

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TitlePLUS Claims

Despite the significant increase in the number of policies sold, TitlePLUS continues to enjoy an enviable claims track record. Less than one half of one per cent of our policies have reported claims; moreover, most of these claims have a value of less than \$1,000. Because the logic contained in the software helps prevent claims, the majority of TitlePLUS claims arise out of minor problems, such as permit, survey and search-related issues, and utility arrears. Our solid track record in resolving these claims can be attributed to both an efficient claims handling system, and to stringent underwriting criteria: TitlePLUS will not insure just any transaction that “walks in the door.”

LAWPRO Awarded A (Excellent) Financial Strength Rating by A.M. Best Co.

For the third consecutive year, A.M. Best Co., a leading rating agency, has awarded LAWPRO an “A (Excellent)” financial strength rating.

A.M. Best cited the company’s profitable operating performance, strong capital position, effective management team, favorable loss reserve development and overall financial strength as key indicators that earned LAWPRO the “A” rating.

“The company’s risk-based underwriting model has resulted in consistent profitable underwriting results, which combined with investment income, have contributed to the sustained internal growth of LAWPRO’s capital and financial strength,” A.M. Best Co. commented.

The rating agency also commented on LAWPRO’s decision to forgo quota-share reinsurance coverage for its Ontario program in 2003: “The company’s disciplined management, strengthened capital position and stop-loss arrangement ensure it is able to assume 100 per cent of the Ontario program without compromising its financial strength,” according to the A.M. Best Co. media release.

LAWPRO’s ability to earn this rating despite a difficult business climate for the insurance industry over the past 18 months reflects well on measures the company has taken to secure its long-term financial strength, according to LAWPRO President Michelle Strom.

“We are fortunate that we are able to reap the benefits from our disciplined approach in recent years. Our robust financial position – as confirmed by A.M. Best Co. – enables us to insulate ourselves during these volatile market conditions, while maintaining an innovative insurance program that can respond to the needs of the legal profession.”

Additional Information

For additional information, contact Mark Farrish at (416) 598-5866 or 1-800-410-1013, or mark.farrish@lawpro.ca.

Legal Services Coverage

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- the E&O policy may not be available if the lawyer has by his or her actions voided the policy;
- the net worth of the lawyer (where the E&O policy is not available or exceeded) may be insufficient to pay the claim.

If a problem with title surfaces after the deal has closed, or if it is discovered that the lawyer made an error or omission, TitlePLUS coverage either:

- pays to rectify the problem (for example, moving a garage off a neighbour’s property line) or,
- compensates the appropriate parties for up to the full value of the title insurance policy.*

The insurer also will pay the legal costs of defending the title.



TitlePLUS Focus on Lenders is published by TitlePLUS and is designed to update lenders about TitlePLUS, real estate developments and related changes in conveyancing. Comments and suggestions are welcome.

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