



## Supplementary Coverage Endorsement for Residential Properties<sup>1</sup>

**WARNING:** This document was created to assist in the training of lawyers regarding the TitlePLUS® insurance program and title insurance in general. It is provided for study and discussion purposes only. No liability is assumed by Lawyers' Professional Indemnity Company for the accuracy or completeness of the information contained herein. Furthermore, LAWPRO® will not be bound by, and this annotated Endorsement is not intended to constitute a statement of LAWPRO's position on, the issues covered herein. Please refer to your client's specific TitlePLUS policy for all terms and conditions governing his or her TitlePLUS insurance coverage.

1. The following risks are hereby added to the "Title Coverage" section of "PART I – INSURANCE COVERAGE" of the POLICY:

### *Supplementary Coverage*

- (22) anyone else having an ownership interest in your TITLE occurring after the POLICY DATE;
- (23) anyone else having a right affecting your TITLE after the POLICY DATE arising from a tenancy, contract or option;
- (24) an impersonation of you or other fraudulent act after the POLICY DATE as the result of which someone other than you claims to own or have an interest in your LAND;
- (25) anyone else having an EASEMENT on your LAND occurring after the POLICY DATE;
- (26) after the POLICY DATE, a governmental authority having jurisdiction assessing supplemental realty tax not previously assessed against the LAND for any period before the POLICY DATE;
- (27) your existing improvement(s), if any (or a replacement or modification made to them after the POLICY DATE), being damaged because of the exercise after the POLICY DATE of a right to use the surface of the LAND for the extraction or development of minerals, water or any other substance, even if those rights were excepted or reserved from the description of the LAND or excepted in Schedule "A";
- (28) anyone else having the right to limit your use of the LAND, whether the right affects TITLE to the LAND on or after the POLICY DATE;
- (29) your TITLE being lost or taken because, before you acquired your TITLE, there was a breach of a covenant, condition or restriction, even if the covenant, condition or restriction is excepted in Schedule "A";
- (30) the existing improvement(s), if any, with the municipal address shown in Schedule "A" not being located on the LAND at the POLICY DATE;
- (31) you being forced to remove or remedy an existing structure (if any) on your LAND because it encroaches onto an EASEMENT, even if the EASEMENT is excepted in Schedule "A";
- (32) your existing structure (if any) having been damaged because of the exercise of a right to maintain or use any EASEMENT affecting the LAND, even if the EASEMENT is excepted in Schedule "A".

**ANNOTATION:** Items (22) – (32) are title risks newly added to the TitlePLUS policy. In particular, items (22) – (28) are new post-policy date areas of coverage.

2. The descriptions of the following risks in the "Title Coverage" section of "PART I – INSURANCE COVERAGE" of the POLICY are hereby deleted and replaced with the following:

- (13) any order by a court or other authority after the POLICY DATE forcing you to remedy any of the following conditions existing as of the POLICY DATE: (a) a breach of a zoning by-law, a property standards by-law or the building code of a governmental authority having jurisdiction; (b) the lack of approval from a conservation or similar authority for the existing improvement(s) or any part thereof; or (c) the lack of a building permit for the existing improvement(s) or any part thereof;
- (17) the lack of a legal right for existing vehicular access, if any, and for existing pedestrian access, if any, to and from the LAND, or where there is no existing access of either type, the LAND being land-locked by other properties and thus without any legal right of access;
- (21) any other defects in your TITLE on or after the POLICY DATE so long as they are not otherwise excluded by the terms and conditions of this POLICY;

**ANNOTATION:** Title risks (13), (17) and (21) from the TitlePLUS policy, Version 2.0 are being replaced. Risk (13) now clarifies that certain issues may still be eligible for coverage if only “part” of an improvement is affected and that a covered breach may extend to the property standards by-law or a building code issue.

3. The following wording in the “Title Coverage” section of “PART I – INSURANCE COVERAGE” of the POLICY is hereby deleted and replaced with the following:

Deletion: (except for risks (8) and (15) which are insured if they arise or occur after the POLICY DATE)

Replacement: (except for risks (8), (15) and (21) – (28) which are insured if they arise or occur after the POLICY DATE)

**ANNOTATION:** The subject words at the start of the “Title Coverage” section needed to be amended since a number of the new (or amended) Title Risks (see above) are post-policy date coverages. That is, the policyholders are insured if the risks arise or occur after the policy date.

4. The description of the following exception to exclusion (1) in “PART III – EXCLUSIONS TO POLICY COVERAGES” of the POLICY is hereby deleted and replaced with the following:

(1)(b) any violation or enforcement proceeding disclosed by REGISTERED TITLE as of the POLICY DATE which relates to a matter excluded above;

**ANNOTATION:** Exclusion (1) in Part III of the TitlePLUS policy is commonly known as the “governmental power” or “law” exclusion. It has a number of listed exceptions. Exception (b) to Exclusion (1) is being replaced to clarify that violations or enforcement proceedings disclosed by registered title that arise after the policy date are not covered. This amendment was needed to co-ordinate coverage with the new, post-policy date risks described above.

5. The definition of “ACTUAL LOSS” in “PART IV – YOUR POLICY CONDITIONS” of the POLICY is hereby amended by adding the words, “or (31)” following the words, “items (11) – (16)”.

**ANNOTATION:** This amendment is necessitated to ensure that the new Title Risk (31), in particular, is included appropriately in the “Actual Loss” definition.

6. The definition of “TRANSACTION” in “PART IV – YOUR POLICY CONDITIONS” of the POLICY is hereby deleted and replaced with the following:

“TRANSACTION” means your purchase of the LAND together with any mortgage financing arranged in connection with your purchase, as described in Schedule “A”, or where no insured and registered owner is stated in Schedule “A” of the POLICY, the MORTGAGE LENDER’S acquisition of a MORTGAGE/CHARGE of the LAND, as described in Schedule “A”.

**ANNOTATION:** The amendment to the definition of “Transaction” in the policy clarifies that when the TitlePLUS policy, Version 2.0 is used for mortgage only transactions, it is the mortgage only work by the lawyer that is the insured transaction for purposes of the Legal Service coverage in the policy.

7. The following provision is added to the end of the section entitled, “Our Choices when you Notify Us of a Claim” of “PART IV – YOUR POLICY CONDITIONS” of the POLICY:

We will reimburse you for the reasonable costs paid by you to move any personal property you have the right to remove from the LAND, including transportation and storage of that personal property for up to fifty (50) kilometers from the LAND, and repair of any damage to that personal property resulting from the move. The amount we will pay you under this paragraph of the POLICY is limited to the value of the personal property before you move it.

**ANNOTATION:** This paragraph describes a type of compensation for which the insured is eligible related to certain moving costs.

8. Wherever the term, “estoppel certificate” is used in the POLICY, it is hereby replaced with the term, “status certificate”.

**ANNOTATION:** This amendment updates terminology to correspond to the current condominium legislation. Standard-form TitlePLUS provincial endorsements make any further adjustments to terminology that are needed in this regard.

*This Endorsement is part of the POLICY and is subject to all of the terms and provisions of the POLICY, including any other endorsements. This endorsement does not:*

- *modify any of the terms and provisions of the POLICY, including any other endorsement;*
- *extend the POLICY DATE or the effective date of any other endorsement; or*
- *increase the POLICY AMOUNT;*

*unless expressly stated above.*

<sup>1</sup> Effective June 1, 2006. Excluding OwnerEXPRESS® and leasehold properties.

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