

Maximizing Title Insurance Coverage in Commercial Transactions

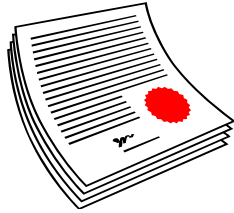
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Introduction – Work with the Title Company, Not Against Them

- Pursuant to §2551.003 of the Texas Insurance Code, the Commissioner of the Texas Department of Insurance is authorized to adopt the rules and practices for title insurance in the State of Texas.
- The *Texas Title Insurance Basic Manual* (“*Basic Manual*”) contains the rates, rules and forms promulgated by the TDI.
- **The promulgated forms can only be issued or altered as provided for in the rules.**

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- Therefore, there are some exceptions that cannot be removed and some exceptions that cannot be amended *unless* a specific rule in the Basic Manual allows the wording to be amended in some way.

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- Title insurance “looks backward,” not forward, like other types of insurance.
- So, as a general rule, title insurance policies do not provide coverage for events that occur subsequent to the date of the policy.

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- Anticipate title company requirements, and be prepared with the documentation they will need as early as possible.
 - Entity documents.
 - Schedule C curative documents.
 - Extra-hazardous coverage.

Endorsements

- Although every transaction is different, some insurance coverages are routinely requested in a high liability commercial transaction.
- Knowing in advance what these coverages are, and which endorsements your client will require, will facilitate the closing.



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Title search: Maximizing Title Insurance Coverage in Commercial Transactions

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First appeared as part of the conference materials for the
49th Annual William W. Gibson, Jr. Mortgage Lending Institute session
"Title Insurance Coverage: Current Issues"