

Innovative Underwriting Solutions

Protect your business and eliminate delays.



Choose customized underwriting from FCT

When it comes to coverage, your clients need protection that can be customized depending on their specific requirements — the type of comprehensive protection you can only get from FCT.

At FCT all commercial underwriting is done by a team of experienced law clerks and lawyers who work on a case-by-case basis to understand your clients' unique needs and to suit each specific deal. This also affords you the personalized service you need to keep your clients satisfied and protected, solving problems that might otherwise delay or jeopardize a closing.

This is because FCT can assume risks that lenders, purchasers and you, as a lawyer, often don't want to. By having FCT underwrite both known and unknown defects, it allows you to use your time more effectively to grow your business and enhance your clients' experience.

Consider these examples where FCT's customized underwriting helped to close the deal on time

The challenge: a new survey uncovered a setback violation

A purchaser arranged for a new survey of a property. When the lawyer sent it to the municipality, they confirmed that the existing building, which had been there for 20 years, violated the setback requirements. They advised that the owner would have to apply to the Committee of Adjustment

to get a minor variance to allow the violation to continue. Once the Committee had granted approval, there was still a 30-day waiting period before the decision was final; however, the closing was scheduled in two weeks. The lender refused to release funds until the committee's decision was final, and to make matters more complicated, their commitment to fund expired on the scheduled closing date. The deal was in jeopardy.

The underwriting solution

The lawyer involved in the deal enlisted the help of FCT who assumed the risk so that the deal could close prior to the end of the appeal period, offering full coverage to both the lender and the purchaser.

The challenge: An undischarged mortgage remained on title

A deal was expected to close in two weeks. Unfortunately, a title search of the property revealed an undischarged mortgage involving a lender that no longer existed. The vendors insisted they had paid off the mortgage, even providing a copy of the final payment cheque. Because the lender was no longer in business, there was no way to obtain the duplicate mortgage discharge needed to proceed. To correct the problem, it was necessary to obtain a court order striking the old mortgage from title. This, however, involved quite a bit of time and would compromise the closing date.

The underwriting solution

On the lawyer's advice, the client decided to proceed with title insurance for themselves and the lender. FCT underwrote the known risk, allowing the deal to close on time. Subsequently, the court order was obtained and the old mortgage was removed from title, but only after closing.

The challenge: A required permit was not obtained on a new construction property

The purchaser of a newly constructed office building was attempting to close the deal in three days time when the lender's lawyer discovered that a required fill permit was not obtained prior to construction. It was confirmed that the permit was available; however, it could not be issued for another two-to-four weeks. The lender refused to

provide financing until the purchaser received the permit. The purchaser had spent considerable time and money planning to move its operations into the new building the weekend after closing to ensure it was back in operation by Monday morning. This purchaser needed to make sure the deal went through as planned.

The underwriting solution

Knowing that the fill permit had been applied for by the purchaser's lawyer and would be issued after closing, FCT was able to underwrite the risk of closing without the necessary document. FCT insured the deal, the lender provided the funding and the deal closed on time.

The challenge: An incredibly quick closing date.

A lucrative deal involved multiple fast-service restaurants in several provinces with a quick closing date. The purchaser's lawyer was not able to complete full due diligence given the short amount of time and the complexities involved. As expected, the purchaser's lawyer was uncomfortable proceeding because of the potential risk to both himself and his client.

The underwriting solution

By analyzing a combination of previously issued title opinions, sub-searches, zoning reports, surveys, and a statutory declaration of an officer of the vendor, FCT was able to collaborate with the lawyer and assume the risk, allowing the deal to go ahead without compromising timelines.

Ensure your deals close on time, every time, without hassle

Contact us

For your individual assessment and to learn more about how customized title insurance from FCT can help you protect your business, call the FCT commercial underwriting team today.

► **FCT.ca** | **1.866.804.3112**



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