

What a Real Estate Title Insurance Company Can Do About Policyholder Lawsuits

by Isaac Benmergui, Esq on June 27, 2014



Oftentimes policyholders will throw their hands up in disgust as they see no access to the property in question and then seek to file a lawsuit against the title insurance company responsible for supplying the documentation. Here's the thing about insurance – *anyone* can get it for just about *anything*. Even an insurance company can be “insured” over such a thing as a lawsuit! This is the never-ending circle of what can commonly be considered a point of argument for who's accountable, who gets to pay, who gets reimbursed, and who's insured for reimbursement.

It's not necessarily a done deal, obviously, when a policyholder files a complaint and gets a court order stating that there's an obvious loss. Even a title insurance company has an option to submit the relevant information, proving that the policyholder actually had no loss at all. Take this federal case, [Guenther vs. Old Republic National Title Insurance Company](#), where the respondent in this matter actually denied coverage to policyholders claiming there was no access to the property in question. Old Republic basically stuck to their guns.

Needless to say, though, the court established that Old Republic had to indemnify the policyholders due to the lack of legal access, and that's where the title insurance company could seek to show that there was no evidence of any lack of legal access. In essence, Old Republic sought to prove that the policyholders were wrong about not having any access, hence eliminating any need for the title company to provide some sort of compensation in the matter. The policyholders, in effect, were mistaken in their accusation.

I'd personally say that it's a messy situation when dealing with insurance. It gets even messier when you throw real estate law in there as well. Thankfully, you have the benefit of consulting with a qualified attorney, and maybe a lawyer specializing in title insurance. Do the research and ensure you find the right person for the job. It may save quite a bit of time, headache and even expense.

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