

## Alert

### Resolving Title Insurance Claims

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No commercial real estate transaction of any significant size takes place without title insurance. Title insurance protects owners and lenders against the financial loss that they incur because of title defects to real property, such as unreleased liens or other encumbrances.

A very important part of the protection offered by title insurance is the insurer's obligation to retain and pay for legal counsel for the insured in litigation involving title claims. This litigation can become especially complicated and expensive if a lawsuit against the policyholder consists of several claims, some of which are related to the property's title - and thus covered by the title insurance - and some of which are not title related.

Courts in some jurisdictions will require the title insurer to provide a defense for the insured on all claims, a result called the "complete defense" rule, while courts in other jurisdictions may not require the insurer to provide a defense for the non-title related claims. To date, Maryland follows the complete defense rule, although recent decisions from other jurisdictions may prompt Maryland courts to reconsider this issue in the future.

In the article "[Title Insurers' Evolving Duty to Defend?](#)" published in *The Maryland Bar Journal*,\* Gerald W. Heller discusses a title insurer's duty to provide a defense and the changing nature of that defense obligation. In the event you have questions about title insurance related litigation or claims, please contact Jerry Heller at (301) 961-5178 or [gheller@linowes-law.com](mailto:gheller@linowes-law.com).

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