



**ALL GENERAL INSURERS (Other than Stand Alone Health Insurers and Specialised Insurers)**

**Re: Title Insurance Products**

Title insurance is a form of indemnity insurance that protects a potential owner of a property against financial loss from defects in title to real property. The policy is a retrospective one where the insured is protected against losses arising from the events that occurred prior to the date of issuing the policy.

2. There are a few Title Insurance products in the Indian market currently. However, considering the requirements of legal protection for promoters in the early stages of development of the project during financial appraisal, registration and approval with RERA authorities and safeguarding the interests of individual buyers after taking over the physical possession of property, there is a need to expand the current title insurance products suitable to promoters/ developers and retail property buyers.
3. In order to ensure that the general insurers offer basic Title Insurance covers for legal liabilities of promoters/developers in case of any loss caused to allottees due to defective title of the property, protection for individual buyers for the purchased units in projects and to facilitate easy marketability of these products, the Authority had constituted a Working Group to suggest, inter alia, product construct and policy wording for two new products in addition to the existing products.
4. Accordingly, the Working Group has suggested product structure, coverage and policy wordings for the following products.
  - (a) Promoter Legal Expenses (Defence Cost) Policy: This cover will indemnify the insured against legal defence costs only against suits challenging the Title of the project.
  - (b) Allottee/Individual Buyer Retail Policy: This cover is designed to indemnify the insured against loss from a defect on title of property. The policy may be opted by the individual buyer and financiers of the property at the time of the possession.

The policy wordings developed by the Working Group for the above products are given in the **Annexure**.

5. The main objectives of new Title Insurance products are to provide cover to;
- (a) promoters/developers, preferring to opt for a minimum legal defence cost;
  - (b) end users i.e., allottees/individual buyers/financiers at the time of possession/handing over of the property unit for protection against any legal suits in future.
6. All general insurers are, therefore, encouraged to file these products as per the procedure required under the extant product filling guidelines. The insurers may also design and file similar products, keeping in view the minimum coverage as specified in the given policy wording. The filing of the said product/s may be carried out at the earliest to respond to the requirements of promoters/developers and retail property buyers.

Please acknowledge this circular and confirm having noted its contents.

**Sd/-**  
**Yegnapriya Bharath**  
**Chief General Manager (Non-Life)**

**Encl:** Specimen Policy Wording.