

SECTION 6: CLOSING PROTECTION COVERAGE

CP-1 CLOSING PROTECTION COVERAGE TRANSACTION SPECIFIC

This coverage, which is limited to a specific transaction, provides the covered party with certain protection as set forth in Form CP-24 against fraud, misapplication of funds or failure to comply with written closing instructions by the Licensed Agent (an agent licensed and authorized to issue title insurance in the State of Ohio for the Company) subject to the provisions contained therein. The Rate for the issuance of this coverage shall be forty dollars (\$40.00) for a lender, its successors and assigns, as their interest may appear, fifty-five dollars (\$55.00) for seller(s), twenty dollars (\$20.00) for buyer(s)/borrower(s) and twenty dollars (\$20.00) for each additional applicant for title insurance. Minimum Premium \$40.00 and this Rate is remitted in its entirety to the Insurer (which for purposes of this section does not include the Issuing or the Licensed Agent). The premium shall be earned when funds or documents are deposited with the Licensed Agent.

**NOTICE OF AVAILABILITY AND
OFFER OF CLOSING PROTECTION COVERAGE**

- Seller: _____
- Buyer: _____
- Borrower: _____
- Lender: _____

Re: Licensed Agent:
 Premises:
 Commitment/File No.:

Notice of Availability of Closing Protection Coverage

Pursuant to Ohio Revised Code Section 3953.32, you are hereby notified of the availability of Closing Protection Coverage from _____ in connection with the above-referenced transaction for the premium stated in the Offer of Closing Protection Coverage outlined below.

Closing or settlement of a real estate and/or mortgage loan transaction can be characterized as having two components. One component pertains to the title to the Premises and the title insurance policy therefore. The other component pertains to the handling of funds and documents. A title insurance policy does not cover losses due to the mishandling of funds or documents. However, Closing Protection Coverage, as outlined below, does provide such protection.

Description of Coverage: The Closing Protection Coverage indemnifies you against the loss of settlement funds resulting from any of the following acts of the Licensed Agent or anyone acting on behalf of the Licensed Agent, subject to certain conditions and exclusions specified in the Closing Protection Coverage Form:

- (1) Theft, misappropriation, fraud, or any other failure to properly disburse settlement, closing or escrow funds; and
- (2) Failure to comply with any applicable written closing instructions, when agreed to by the Licensed Agent.

You are covered by a Closing Protection Coverage Form only if it is specifically addressed to you. A copy of the Closing Protection Coverage Form is available upon request.

I (We), the undersigned, hereby acknowledge receipt of this Notice of Availability of Closing Protection Coverage.

Signed: _____
 Printed Name: _____

Signed: _____
 Printed Name: _____

Offer of Closing Protection Coverage

Pursuant to Ohio Revised Code Section 3953.32, you are hereby offered Closing Protection Coverage from _____ in connection with the above-referenced transaction.

Premium for Coverage: The premium cost for the Closing Protection Coverage is \$40.00 for Lender; \$55.00 for Seller; \$20.00 for Buyer/Borrower; and \$20.00 for any other applicant for title insurance, and in no case shall the premium cost be less than \$40.00 for this coverage in any transaction.

Acceptance of Offer/Declination of Offer

I (We), the undersigned, acknowledge receipt of this Offer of Closing Protection Coverage and **do** _____ /**do not** _____ accept the said Offer. If this Offer is accepted, the undersigned hereby agrees to pay the applicable premium.

Signed: _____
Printed Name: _____

Signed: _____
Printed Name: _____

BLANK TITLE INSURANCE COMPANY

Date: _____

[Check each party to be covered and insert the name of each said party.]

Covered Parties:

Seller	<input type="checkbox"/>	_____
Buyer	<input type="checkbox"/>	_____
Borrower	<input type="checkbox"/>	_____
Lender	<input type="checkbox"/>	_____

Re: Closing Protection Coverage ("CPC")
 Licensed Agent:
 Premises:
 Commitment Reference No. _____

Dear Customer:

When title insurance is specified in connection with closing of the above-described real estate transaction (the "Closing") in which you are the Covered Party with an interest in land or a lender secured by a mortgage (including any other security instrument) of an interest in land, Blank Title Insurance Company (the "Company"), subject to the Conditions and Exclusions set forth below, hereby agrees to reimburse you for actual loss incurred by you in connection with the Closing, when such Closing is conducted by the above named Licensed Agent (an agent licensed and authorized to issue title insurance in the State of Ohio for the Company) and where such loss arises out of:

1. Theft, misappropriation, fraud or any other failure of the Licensed Agent, or anyone acting on the Licensed Agent's behalf, to properly disburse or otherwise, in the handling of your funds or documents in connection with such Closing to the extent such fraud or dishonesty relates to the status of the title to said interest in land or the marketability thereof as insured, or to the validity, enforceability, and priority of the lien of said mortgage on said interest in land; or
2. Failure of the Licensed Agent, or anyone acting on the Licensed Agent's behalf, to comply with any applicable written closing instructions, when agreed to by the Licensed Agent, to the extent that they relate to: (a) the status of the title to said interest in land or the marketability thereof as insured or the validity, enforceability and priority of the lien of said mortgage on said interest in land, including the obtaining of documents and the disbursement of funds necessary to establish such status of title or lien; or (b) the obtaining of any other document, specifically required by you, but only to the extent the failure to obtain such other document affects the status of the title to said interest in land or the validity, enforceability and priority of the lien of said mortgage on said interest in land, but not to the extent that said instructions require a determination of the validity, enforceability or effectiveness of such other document.

Conditions and Exclusions:

A. The Company will not be liable to you for loss arising out of:

1. Loss or impairment of your funds in the course of collection or while on deposit with a bank due to bank failure, insolvency or suspension, except as shall result from failure of the Licensed Agent to comply with your written closing instructions to deposit the funds in a bank which you designate by name.
 2. Mechanics' and materialmen's liens in connection with your purchase or lease or construction loan transactions, except to the extent that protection against such liens is afforded by a title insurance binder, commitment or policy.
 3. Matters created, suffered, assumed or agreed to by you and/or your agents or employees.
- B. Should the Company reimburse you pursuant to this CPC, it shall be subrogated to all rights and remedies which you would have had against any person or property had you not been so reimbursed. Liability of the Company for such reimbursement shall be reduced to the extent that you have knowingly and voluntarily impaired the value of such right of subrogation.
- C. Any liability of the Company for loss incurred by you in connection with the Closing by a Licensed Agent shall be limited to the protection provided by this CPC. However, this CPC shall not affect nor be deemed to be a substitute for the protection afforded by a title insurance binder, commitment or policy.
- D. Liability under this CPC to a covered buyer, borrower, or lender is limited to the amount of the applicable owner's or lender's policy of title insurance, and any payment under this CPC shall constitute a payment under the applicable policy of title insurance to the extent such payment is for a matter also covered under said policy.
- E. Liability under this CPC to a covered seller is limited to actual loss of funds and shall in no event be greater than the gross sales price due the seller in the covered transaction.
- F. Claims shall be made promptly to the Company at its office at _____. When the failure to give prompt notice shall prejudice the Company, then liability of the Company hereunder shall be reduced to the extent of such prejudice.
- G. The Company shall not be liable hereunder unless notice of claim in writing is received by the Company within one year from the date of the Closing.
- H. The scope and effect of this CPC is limited to a single transaction, which is the Closing on the commitment or binder referenced in the caption.
- I. This CPC supercedes any previously issued closing protection letter(s) or CPC.

BLANK TITLE INSURANCE COMPANY

By: _____