



COLORADO
Department of
Regulatory Agencies
Division of Insurance

Consumer Information Regarding Title Insurance

Closing Protection Letter and Social Distancing during your real estate transaction

Due to the unprecedented nature of the COVID-19 emergency, the Division of Insurance (Division) is urging all consumers who are sellers and buyers / borrowers of real estate to request a Closing Protection Letter (CPL) from their title company.

CPLs contractually obligate a title insurer to indemnify certain parties to a real estate transaction for certain improper actions related to the business of title insurance. These letters can help protect consumers' funds through their transactions. CPLs can be issued to sellers, buyers and lenders. Key protections may include the following.

- Loss due to fraud, theft, dishonesty, misappropriation of funds, or the mishandling of documents
- Loss due to failure to comply with closing instructions of the lender as provided for by the terms of the CPL

For more information regarding CPLs, please contact your title insurance agent or title insurance company.

Additionally, the Division urges consumers to take extra precautions to ensure social distancing practices during this time. As real estate transactions include personal interaction which typically involves face-to-face communication and the handling of documents, it is imperative consumers are safe during their real estate transaction. Governor Polis has enacted an [executive order](#) authorizing notary services without in-person appearance, and Secretary of State Jena Griswold has [enacted rules](#) for implementation of a remote notary process, including protection against identity theft and fraud. Please ask your title company about closing options available to ensure your transaction is safe.