



Closing Protection Letter

Definition – A contract between a title insurer and recipient of the letter indemnifying the recipient with respect to certain defined losses for closings and escrow closings conducted by agents, approved attorneys, or another person or entity. Also known as insured closing letter.

Why does this matter?

CPLs were developed to provide indemnity by the title insurer in specific situations where a title agent is also closing a transaction where title insurance will be issued because a title insurance policy provides no coverage for escrow or closing activities.

When does a CPL have to be issued?

This depends upon the state laws where the land is located and possibly where the escrow officer is located. You should consult with your local underwriting advisor regarding whether a CPL must be issued.

Can a CPL be modified?

No. Like title insurance policies, CPLs are filed with state regulators and may not be modified beyond the amount of indemnity in the CPL and the name of the person or entity to whom the CPL is addressed.