

## PROTECTING YOUR INVESTMENT SURVEY COVERAGE

### HOW YOUR OWNER'S TITLE POLICY READS WITHOUT ENDORSEMENTS

The regulated language on Schedule B, Item 2 of an Owner's Policy of Title Insurance ("OTP") provides that the OTP does not insure against "Any discrepancies, conflicts, or shortages in area or boundary lines, or any encroachments or protrusions, or any overlapping of improvements."

### WHAT THAT DOESN'T COVER

These items are usually shown on a land survey prepared by a Registered Professional Land Surveyor ("RPLS"). They are not covered by a standard OTP and include situations such as:

- A house built over a building setback line
- Structures situated within an easement
- Fences not on property lines
- The deed for the neighboring property overlapping onto the property to be insured
- Improvements located over the property line onto a neighbor's property or from a neighbor's property onto the property to be insured

### HOW TO ADD COVERAGE

Endorsements such as **Survey Deletion Coverage and T-19.1** are available to give further coverage, upon payment of additional premium and approval by the title company or its underwriter.

#### ENDORSEMENT: SURVEY DELETION COVERAGE

"Survey Deletion Coverage" also known as "Survey Coverage" or "Survey Endorsement," adds coverage to the OTP by deleting all of Schedule B, Item 2 except for "Shortages in area." This endorsement provides more insurance for the owner by deleting items which limit policy coverage.

## ENDORSEMENT: RESTRICTIONS, ENCROACHMENTS, MINERAL ENDORSEMENT (T-19.1)

This Endorsement provides coverage for, among other matters not discussed here, some of the specific survey exceptions which may be made by the title company after review of the survey. Specifically, this endorsement insures against loss or damage by reason of:

- An encroachment of an improvement onto adjoining property or easement
- A final court order requiring removal of an encroachment of an improvement onto adjoining property or easement
- Damage to an improvement which encroaches into an easement resulting from maintenance or use of the easement

Note: There may be survey exceptions which the title company deems too much risk. In these cases, the title company may choose to not provide coverage for that particular item.

## WHAT YOU NEED TO ADD THESE ENDORSEMENTS

Provide the title company with an accurate land survey of the property to be insured under the following guidelines:

- A new/recent survey (no less than six (6) months old) or a prior survey
- In the case of a prior survey, it must have been used in an insured transaction and be accompanied by a T-47 affidavit provided by the current owner of the property, setting out any changes to the property since the date of such prior survey
- Survey must address all applicable exceptions listed in Schedule B of the title commitment and otherwise be satisfactory to the title company
- Survey must be prepared by an RPLS and must reflect the land and all improvements thereon

Although Schedule B, Item 2 will be revised to read "Shortages in area," the title company may make specific exceptions to matters shown on the survey, such as buildings situated over a building setback line, improvements located in an easement, etc. These exceptions will be specific to both the property to be insured and the survey provided.

## COST TO ADD THESE ENDORSEMENTS

An additional premium is required for issuance of either or both of these endorsements.

- Survey Deletion Coverage for residential property is 5% of the basic rate for a single issue policy
- T-19.1 Endorsement for an OTP on residential property is 10% of the basic rate for a single issue policy if purchased alone. The minimum premium for T-19.1 is \$50.00
- If the both the T-19.1 Endorsement and the Survey Deletion Coverage are purchased, the premium for the T-19.1 Endorsement for an OTP on residential property is 5% of the basic rate for a single issue policy

NOTE: All coverages, endorsements and premiums are subject to change. Please discuss these and other endorsements available to you, and any applicable premium, with your Escrow Officer. Also refer to the Rattikin Title Premium Calculator on our website.