

What does a Buyer get with the “Survey Amendment” to their Owner’s Title Policy?

Answer: more policy coverage. An “exception” in the policy limits or reduces coverage. The Survey amendment greatly reduces the terms of the exception, resulting in broader more inclusive coverage.

An Owner’s Policy of title insurance generally provides protection to the named insureds against title defects that were in existence but unknown to the insureds at the time they acquire the policy. When a covered title claim is asserted, pursuant to the terms of the policy, the insureds’ interest in the covered property will be defended by lawsuit or other action, resulting in correction or remediation of the title problem and/or payment for loss incurred due to the title problem, up to the face amount of the policy. An Owner’s Policy remains in effect as long as the insured or their heirs own the property or are liable for title warranties made when they sell the property.

The primary matters insured by the policy are as follows: 1) that on the date the deed was filed for record placing title in the name of the insured, the stated owner is in fact the only owner of the land described and their title is good against every other claim against the title, except as stated in the policy, and 2) that on the effective date of the policy, the insured land is not burdened by certain encumbrances to the title (such as mortgages, liens, easements, restrictions, outstanding mineral interests, leases, etc.) except as stated in the policy.

The policy contains a standard exception to coverage as to defects that generally should be shown and described on a survey of the property (survey matters). With that standard exception, the policy **does not insure against** loss or damage (and the Company will not pay costs, attorney’s fees or expenses) that arises as a result of the following (survey matters):

- a) Any discrepancy in the location of the boundary of the land with reference to highways, streets, or any other type of monument.
- b) Any gaps or overlaps affecting the land.
- c) Any boundary line disputes affecting the land.
- d) Any encroachments of the improvements (above or below the ground) on the insured land onto any easement on the land or onto adjoining land.
- e) Any encroachments of the improvements (above or below the ground) located on adjoining land onto the insured land.

However, the exception can be amended to provide coverage against most survey matters upon payment of the promulgated premium and the delivery of a survey to the Title Company that meets its underwriting requirements. (The cost for the amendment on a Residential Owner’s Policy is currently 5% of the premium charged for issuance of that policy based on the purchase price of the land).

A survey can only be performed by a Texas Registered Professional Land Surveyor. The title company cannot perform or complete a survey of the property.