



# AREA & BOUNDARY EXCEPTION AMENDMENT

## REAL LIFE SCENARIOS AND DOCUMENT BREAKDOWN

**SURVEY COVERAGE INSURES THE BOUNDARIES OF YOUR PROPERTY AND ANY LOSS TO THE OWNER DUE TO BOUNDARY CONFLICTS OR ANY LOSS DUE TO ENCROACHING IMPROVEMENTS WHICH ARE NOT SHOWN ON THE SURVEY.**

*NOTE: Survey Coverage does NOT insure against matters, conflicts, encroachments, etc. that are shown on the survey.*

*Examples of Claims with Survey Coverage:*



Mr. and Mrs. Smith just purchased 8 acres of land in the Hill Country. They were in the process of installing a fence along their east property line when the neighbor informed the fencing company that they were on their property. The Smiths met with their neighbor to compare surveys and discovered conflicting metes and bounds descriptions along the east property line. The Smiths filed a claim with their underwriter based on the Area & Boundary Exception Amendment they purchased and the underwriter assisted in resolution of the discrepancy.

Mr. Jones purchased a home with a newly installed outdoor kitchen. Within a month of living in the home, Mr. Jones received a knock on the door from the gas company. They were working on replacing old gas lines and needed to access one running through his backyard. Upon walking out back, the gas company discovered the kitchen and informed Mr. Jones that not only did they need to remove it and would not be repairing it, but they would be sending him a bill for the additional labor involved in removing the kitchen as it was installed on a Public Utility Easement. Mr. Jones contacted his underwriter and they discovered the PUE was shown in the wrong place on the survey. They helped Mr. Jones resolve the issue with the gas company as well as replace the kitchen outside of an easement.

*\*The cost of the Area and Boundary coverage selected in the contract is 5% of the basic title insurance policy premium.*

*Costs of coverages are based on the insured property qualifying as "residential" and the purchaser qualifying as an "individual" under Texas regulatory rules.*



# WHEN PUTTING AN OFFER TOGETHER, REALTORS HAVE THE OPTION OF CHECKING A BOX IN THE CONTRACT THAT COULD END UP BEING **VERY IMPORTANT TO A BUYER** DOWN THE LINE.

Paragraph 6(A)(d) gives the following options:

(8) The standard printed exception as to discrepancies, conflicts, shortages in area or boundary lines, encroachments or protrusions, or overlapping improvements:  (i) will not be amended or deleted from the title policy; or  (ii) will be amended to read, "shortages in area" at the expense of  Buyer  Seller.

## HERE IS THE STANDARD LANGUAGE ON THE OWNERS POLICY, WITH EXCEPTION TO THE AREA & BOUNDARY EXCEPTION:

### COMMITMENT FOR TITLE INSURANCE

#### SCHEDULE B

#### EXCEPTIONS FROM COVERAGE

In addition to the Exclusions and Conditions and Stipulations, your Policy will not cover loss, costs, attorneys' fees, and expenses resulting from:

1. The following restrictive covenants of record itemized below (We must either insert specific recording data or delete this exception):  
Volume 17, Page 268, Plat Records; Volume 1516, Page 342, Volume 1752, Page 588, Volume 2104, Page 296, Volume 3870, Page 480, Volume 4159, Page 749, Volume 4278, Page 1, Volume 4827, Page 122, Volume 4908, Page 610, Volume 4937, Page 682, Volume 4972, Page 646, Volume 4974, Page 397 (Sec 6E-3), Volume 5233, Page 148. Official Public Records, Nowhere County, Texas.
2. Any discrepancies, conflicts, or shortages in area or boundary lines, or any encroachments or protrusions, or any overlapping of improvements.
3. Homestead or community property or survivorship rights, if any, of any spouse of any insured. (Applies to the Owner Policy only).

## HERE IS THE SAME PARAGRAPH WITH THE AREA & BOUNDARY EXCEPTION AMENDED:

### COMMITMENT FOR TITLE INSURANCE

#### SCHEDULE B

#### EXCEPTIONS FROM COVERAGE

In addition to the Exclusions and Conditions and Stipulations, your Policy will not cover loss, costs, attorneys' fees, and expenses resulting from:

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2. Any discrepancies, conflicts, or shortages in area or boundary lines, or any encroachments or protrusions, or any overlapping of improvements.
3. Homestead or community property or survivorship rights, if any, of any spouse of any insured. (Applies to the Owner Policy only).