Available Upgrades For Residential Owner Coverage

Amendment of Exception to Area & Boundaries (T-3)

Your standard Residential Owner's Policy will contain the following exception to coverage: "Any discrepancies, conflicts, or shortages in area or boundary lines, or any encroachments or protrusions, or any overlapping of improvements."

This means the policy will not protect the buyer from a loss due to an unknown encroachment of a neighbor's improvement onto their property, an unknown protrusion of an improvement on their property onto a neighbor's property or over a setback line, or some other unknown condition described by the language in this standard exception to coverage.

The TREC 1-4 Family Contract Paragraph 6(A)(8) addresses your option to require the title policy be amended to delete the standard survey exception.

If you elect to purchase the enhanced coverage per your election in the TREC contract, the exception to Area and Boundaries will be amended to read "Shortages in area." **By obtaining this upgrade, you can protect yourself from any loss, costs, and attorneys' fees and expenses resulting from discrepancies, conflicts in boundary lines, encroachment, protrusions, or overlapping of improvements not shown on your survey and not known at the time of closing.**

A Residential Owner's Policy of Title Insurance (Residential Owner's Policy) helps protect ownership of what, for most people, is the largest financial asset they will ever own - their home. While a basic Residential Owner's Policy covers the standard items the Texas Department of Insurance requires, there are additional coverages buyers can purchase to give them even better protection and greater peace of mind. Here are the coverage upgrades available for purchase:

To get this endorsement you must provide:

1. A current survey (acceptable to the title company).
2. Pay the additional premium for the enhanced coverage.

What is the Cost?

The Amendment of Exception to Area & Boundaries is 5% of your basic title insurance premium, but not less than $50.

Restrictions, Encroachments, Minerals Endorsement (T-19.1)

The T-19.1 endorsement is additional coverage available for purchase to provide protection from, among other things, the following (see a copy of the T-19.1 endorsement form for a complete list of potential protections):

Restrictions:

Unknown violations of enforceable restrictive covenants existing as of the date of your Residential Owner's Policy.

Encroachments:

Encroachments of your improvements onto neighboring land or your neighbor's improvements encroaching onto your land which are not shown on your survey.

Minerals:

Certain damages to the surface of your land resulting from the extraction or development of minerals.

You will obtain this fantastic coverage automatically, unless you opt out. The T-19.1 endorsement is automatically included because it is a low-cost way to give extra protection against common property restrictions, setbacks, and mineral rights issues that a standard title policy does not cover.

What is the Cost?

The Restrictions, Encroachments and Minerals Endorsement (T-19.1) is 10% of your basic title insurance premium if purchased alone, but not less than $50.

If BOTH coverages are purchased, then the cost of the Restrictions, Encroachments and Minerals Endorsement is reduced to only 5% of your basic title insurance premium. That means you receive both coverages for the price of one.

Remember, the charges for enhanced coverages are one-time-only fees collected at closing. If purchased, the enhanced coverages last for as long as you or your heirs own your home—whether that is five years or 105 years!

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