

# WHAT IS SURVEY COVERAGE?



## Did you ever wonder what Paragraph 6 (A)(8) of the TREC 1 to 4 Family Residential Contract is all about?

It's about the Buyer deciding if he/she wants coverage against discrepancies, conflicts, boundary line issues, encroachments, protrusions and overlapping improvements that are not disclosed by a survey of the property covered by the contract.

The title policy does not, as a general rule, insure the Buyer against loss resulting from discrepancies, conflicts, boundary line issues, etc. that are identified in the survey of the property.

The Owner's Policy of Title Insurance does not automatically provide Survey Coverage. The Buyer has to request the coverage by checking the "will be amended box" in Paragraph 6. (A)(8):

(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.

The words "shortages in area" will not be deleted from the Title Policy because the Texas Department of Insurance (TDI - the entity that regulates the Title Insurance Industry) does not allow title companies to insure acreage and square foot calculations.

How much does survey coverage cost? For Residential Real Property purchased by individual insureds on or after September 1, 2019, the cost is an additional 5% of the policy premium. That cost would equate to:

Sales Price	Owner's Title Premium	Survey Coverage
\$100,000	\$832	\$41.60
\$500,000	\$2,940	\$147.00
\$1,000,000	\$5,575	\$278.75

***For more information about Survey Coverage, contact one of our Escrow Officers***