



Deleting the AREA & BOUNDARY EXCEPTION

WHAT IS THE AREA & BOUNDARY EXCEPTION?

The Area & Boundary Exception is the language on Schedule B of a title commitment and title policy that says the title insurer is not liable for discrepancies in boundary lines, other people's structures built over property lines, and other similar issues that would be shown on a survey of the property.

WHAT IS A SURVEY?

A survey is a representation of the property prepared by a licensed provider depicting measurements of area, boundary lines, structures, fences, easements, and other permanent features of a property, both visible on the ground and as recorded in documents in the public record.

WHAT IS AN AMENDMENT TO THE AREA & BOUNDARY EXCEPTION?

With a satisfactory survey reviewed and approved by the title company, the buyer may choose to amend the title commitment by removing the Area & Boundary Exception. Doing so would add some coverage back into the Owner's Title Policy. The cost for this amendment (as determined by the contract) is 5% of the basic title insurance premium if residential. If non-residential, the rate is 15%.

Below is how the amendment may look:

SCHEDULE B EXCEPTIONS FROM COVERAGE	
In addition to the Exclusions and Conditions and Stipulations, your Policy will not cover loss, costs, attorney's fees, and expenses resulting from:	
1. The following restrictive covenants of record itemized below: Lorem ipsum dolor sit amet, consectetur adipiscing elit, sed do eiusmod tempor incididunt ut labore et dolore magna aliqua. Ut enim ad minim veniam, quis nostrud exercitation ullamco laboris nisi ut aliquip ex ea commodo consequat.	
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's Policy only.)	

Possible scenarios where this amendment would protect the homeowner:*

- Buyers using a pre-existing survey prepared for a previous owner. In many cases, the surveyor is only liable to the homeowners who purchased the survey;
- A neighbor claiming insured improvements are over the property line into their property;
- An adjoining landowner with improvements encroaching on to your property;
- Surveyor errors in locating improvements or the boundary lines of a property.

*These examples are for illustrative purposes only and do not necessarily represent actual coverage on any specific property via any specific title policy. Questions of a legal nature should be directed to an attorney with title insurance practices.