



Specific Coverage Regarding Survey Matters

T-19 Restrictions, Encroachments, Minerals Endorsement (Lender Coverage)

As it relates to survey matters, the T-19 Endorsement provides specific coverage for the following:

- Encroachment of improvements into an easement [§(3)],
- Encroachment of improvements from the insured property onto adjacent property [§(5)], and
- Encroachment of improvements over a building setback line [§(6)].

Rate Rule: R-29

- A. When the Restrictions, Encroachments, Minerals Endorsement (T-19) is issued on residential real property in accordance with Rule P-50, the premium shall be 5% of the Basic Rate for a single issue policy provided that the minimum premium shall be not less than \$50.00.
- B. When the Restrictions, Encroachments, Minerals Endorsement (T-19) is issued on land which is not residential real property, in accordance with Rule P-50, the premium shall be 10% of the Basic Rate for a single issue policy provided that the minimum premium shall be not less than \$50.00.

Procedural Rule: P-50

- A. Any insured matter covered in the Restrictions, Encroachments, Minerals Endorsement T-19 or T-19.1 may be insured only by the use of these endorsements, except that coverage regarding minerals may be insured by the use of the T-19.2 or T-19.3 endorsements as provided in P-50.1.
- B. A Company may issue its Restrictions, Encroachments, Minerals Endorsement (T-19) to a Loan Policy (T-2), if its underwriting requirements are met. The Company shall delete any insuring provision if it does not consider that risk acceptable.

T-19.1 Restrictions, Encroachments, Minerals Endorsement (Owner Coverage)

As it relates to survey matters, the T-19.1 Endorsement provides specific coverage for the following:

- Encroachment of improvements into an easement [§2],
- Encroachment of improvements (other than fences, landscaping or driveways) from the insured property onto adjacent property [§4], and
- Encroachment of improvements over a building setback line [§5].

Rate Rule: R-29C or D

- C. When the Restrictions, Encroachments, Minerals Endorsement - Owner's Policy (T-191) is issued on residential real property in accordance with Rule P-50, the premium shall be:
1. 10% of the Basic Rate for a single issue policy; or
 2. 5% of the Basic Rate for a single issue policy if an amendment of the exception to area and boundaries is also purchased in accordance with Rate Rule R-16.

In either event, the minimum premium shall not be less than \$50.00.

- D. When the Restrictions, Encroachments, Minerals Endorsement - Owner's Policy (T-19.1) is issued on land which is not residential property, in accordance with Rule P-50, the premium shall be:
1. 15% of the Basic Rate for a single issue policy; or
 2. 10% of the Basic Rate for a single issue policy if an amendment of the exception to area and boundaries is also purchased in accordance with Rate Rule R-16.

In either event, the minimum premium shall be not less than \$50.00.

Procedural Rule: P-50 A and C

- A. Any insured matter covered in the Restrictions, Encroachments, Minerals Endorsement T-19 or T-19.1 may be insured only by the use of these endorsements, except that coverage regarding minerals may be insured by the use of the T-19.2 or T-19.3 endorsements as provided in P-50.1.
- C. A Company may issue its Restrictions, Encroachments, Minerals Endorsement - Owner's Policy (T-19.1) to an Owner's Policy if its underwriting requirements are met. The Company shall delete any insuring provision if it does not consider that risk acceptable.

Procedural Rule P-39 (a)

Procedural Rule P-39 (a) can be used to provide express insurance for the encroachment of improvements from the adjacent property onto the insured property.

Prior to the adoption of the T-19 and T-19.1 Endorsements, P-39 (a) was used routinely to provide express insurance for all types of encroachments. With the introduction of the T-19 and T-19.1 Endorsements, any matter that is covered by the endorsements can only be insured by the use of one of the endorsements.

As a result, the use of P-39 (a) is limited to encroachments of improvements from adjacent property.

- In order to issue the P-39 (a) express insurance the lender must request the survey amendment to Schedule B-2. The coverage is then provided by adding the following promulgated language after the exception:

"Company insures the insured against loss, if any, sustained by the insured under the terms of this Policy by reason of a final, non-appealable judgment of a court of competent jurisdiction that orders the removal of this improvement because it encroaches over or into _____ . Company agrees to provide defense to the insured in accordance with the terms of this Policy if suit is brought against the insured to require the removal of this improvement because it encroaches as herein stated."

- There is no charge for providing P-39 express insurance.

NOTE: P-39 (a) express insurance should not be given unless you receive underwriting approval

Procedural Rule P-39 (b)

Procedural Rule P-39 (b) can be used to provide express insurance for possible defects in title. A fence inset disclosed by a survey would be a possible claim for adverse possession (a possible defect).

- P-39 (b) express insurance is provided by adding the following promulgated language after the exception:

"Company insures the Insured against loss, if any, sustained by the insured under the terms of this Policy by reason of a final, non-appealable judgment of a court of competent jurisdiction that divests the Insured of its interest as Insured because of this right, claim, or interest. Company agrees to provide defense to the Insured in accordance with the terms of this Policy if suit is brought against the Insured to divest the Insured of its interests as Insured because of this right, claim, or interest." or "Company insures the Insured against loss, if any, sustained by the insured under the terms of this Policy by reason of the enforcement of said rights as to the land. Company agrees to provide defense to the Insured in accordance with the terms of this Policy if suit is brought against the Insured to enforce said rights as to the land."

- There is no charge for providing P-39 express insurance.

NOTE: P-39 (b) express insurance should not be given unless you receive underwriting approval