

Unpacking the Endorsements



Endorsements to the Owner's Policy of Title Insurance:

T-19.1: *Restrictions, Encroachments, Minerals Endorsement.*

– Insurance coverage relating to violations of enforceable restrictions, violation of building setbacks, reversionary rights, encroachments upon and beyond the property, and damage to improvements resulting from surface mineral development. Premium cost for this endorsement, for policies insuring residential real property, is calculated at 10% of the Basic Premium Rate for the Owner's Policy if the endorsement is purchased alone, or 5% of the Basic Premium Rate for the Owner's Policy if purchased in conjunction with amendment of the area and boundaries exception (minimum of \$50 for this endorsement).

T-19.2: *Minerals and Surface Damage Endorsement.*

– This endorsement is more specific in scope than the T-19.1 and offers insurance only as to damage to improvements resulting from surface mineral development. Issued upon request of the insured party for properties of one acre or less improved for one-to-four family residential use, or for properties of any acreage improved for office, industrial, retail, mixed use retail/residential, or multifamily purposes. Premium for this endorsement is \$50; note that this endorsement is issued for each tract insured, so policies for multiple tracts may require multiple endorsements. This endorsement is available when the following exception is present in Schedule B: "All leases, grants, exceptions or reservations of coal, lignite, oil, gas and other minerals, together with all rights, privileges, and immunities relating thereto, appearing in the Public Records whether listed in Schedule B or not. There may be leases, grants, exceptions or reservations of mineral interest that are not listed."

T-19.3: *Minerals and Surface Damage Endorsement.*

– Resembles the T-19.2 in most respects. Issued upon request of the insured party for properties that do not qualify for the T-19.2 endorsement (in general, unimproved property). Premium for this endorsement is the same as the T-19.2. This endorsement is available when the following exception is present in Schedule B: "All leases, grants, exceptions or reservations of coal, lignite, oil, gas and other minerals, together with all rights, privileges, and immunities relating thereto, appearing in the Public Records whether listed in Schedule B or not. There may be leases, grants, exceptions or reservations of mineral interest that are not listed."

Endorsements to the Loan Policy of Title Insurance on reverse side



Independence Title

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Unpacking the Endorsements



Endorsements to the Loan Policy of Title Insurance

T-19: *Restrictions, Encroachments, Minerals Endorsement.*

– Insurance coverage relating to violations of enforceable restrictions, violation of building setbacks, mortgage lien priority, encroachments upon and beyond the property, and damage to improvements resulting from surface mineral development. Premium cost for this endorsement, for policies insuring residential real property, is calculated at 5% of the Basic Premium Rate for the Loan Policy (minimum of \$50).

T-19.2: *Minerals and Surface Damage Endorsement.*

– This endorsement is more specific in scope than the T-19 and offers insurance only as to damage to improvements resulting from surface mineral development. Issued upon request of the insured party for properties of one acre or less improved for one-to-four family residential use, or for properties of any acreage improved for office, industrial, retail, mixed use retail/residential, or multifamily purposes. Premium for this endorsement is as previously described. This endorsement is available when the following exception is present in Schedule B: “All leases, grants, exceptions or reservations of coal, lignite, oil, gas and other minerals, together with all rights, privileges, and immunities relating thereto, appearing in the Public Records whether listed in Schedule B or not. There may be leases, grants, exceptions or reservations of mineral interest that are not listed.”

T-19.3: *Minerals and Surface Damage Endorsement.*

– Resembles the T-19.2 in most respects. Issued upon request of the proposed insured for properties that do not qualify for the T-19.2 endorsement (in general, unimproved property). Premium for this endorsement is as previously described. This endorsement is available when the following exception is present in Schedule B: “All leases, grants, exceptions or reservations of coal, lignite, oil, gas and other minerals, together with all rights, privileges, and immunities relating thereto, appearing in the Public Records whether listed in Schedule B or not. There may be leases, grants, exceptions or reservations of mineral interest that are not listed.”

T-17: *Planned Unit Development Endorsement:*

– Insurance coverage relating to restrictions, mortgage lien priority versus liens securing HOA charges and assessments, removal of structures due to encroachment onto adjoining land or easements, and rights of first refusal. Premium for this endorsement is \$25.

T-36: *Environmental Protection Lien Endorsement.*

– Insurance as to mortgage lien priority over certain environmental protection liens. Premium for this endorsement is \$25.

Amendment to the area and boundaries exception in the Owner's and Loan Policies of Title Insurance

Provided that our underwriting requirements are met, we may amend the Schedule B exception as to area and boundaries to read simply “Shortages in area.” The original exception reads as follows: “Any discrepancies, conflicts, or shortages in area or boundary lines, or any encroachments or protrusions, or any overlapping of improvements.” In general, we will require a suitable survey plat of the property we are insuring, and in cases where we are furnished a prior survey, we will also require a suitable affidavit from the owner affirming no changes have been made to the property. The premium cost for this amendment is 5% of the Basic Rate when the amendment is to a Residential Owner Policy (T-1R) (\$20 minimum); there is no premium cost for the amendment when it is made to a Loan Policy.

Please note that these materials are furnished as a courtesy by Independence Title Company; any explanations included are intended only as general descriptions of the endorsements and should not be construed as legal advice for the benefit of any party.



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