



CHICAGO BULL

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SURVEYS: To Read or Not to Read

In our industry's atmosphere of competition and demand for immediate response, Chicago Title strives to provide the best service and the best title insurance coverage in the most professional, but most efficient manner. In that regard, we are endeavoring to adopt streamlined processes for providing coverage to insured owners and particularly lenders for matters revealed by a current survey of the land to be described in the policy. "Survey Coverage," of course, can mean several things: If a lender includes a request for survey coverage, this normally means that the policy simply will not contain an exception as to matters of survey. For a residential loan and some smaller commercial transactions, Chicago Title will not take exception to survey matters on a loan policy even in the absence of a current survey being performed. The owner's policy will, of course, contain an exception as to matters of survey. (For some BIG reasons why owners should be advised to reconsider "flying without a survey net", see "[Owners Need Surveys – Still! \(Or, The Risks To You and Your Client of Lender's Survey Coverage Without a Survey\)](#)")

When the new buyers of a home do obtain a survey for their residential purchase, then both the loan policy and the owner's policy will contain an exception to the following effect:

Any right, easement, setback, interest, claim, encroachment, encumbrance, violation, variation, or other adverse circumstance affecting the Title disclosed by survey entitled Survey Title by Name of Surveyor, P.L.S., dated Date.

If the survey reveals particular matters, i.e., encroachments, setback violations, easements, etc., that are of concern to the proposed insured, then additional language may be considered by the title insurer and included by way of an ALTA Endorsement or otherwise to provide coverage against loss or damage caused by those matters.

For a variety of reasons, whether it be a lender requirement or upon advice from counsel or simply the business need to specifically identify the land being purchased or financed, the buyer or borrower in a commercial transaction will obtain a current survey, routinely one that meets the minimum standards for an ALTA/NSPS LAND TITLE SURVEY. Typically, the title insurance policy may contain a "survey read," which is a narrative listing of every matter affecting title and which is shown on the survey. A survey read has the effect of excepting from coverage those specifically-listed matters. Again, if there are matters contained in the survey read that are objectionable to the proposed insured, coverage may be available via an applicable ALTA Endorsement or specific wording drafted to provide the needed

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assurance. The problem with this model is that surveys of large commercial parcels, particularly developed parcels depicting hotels, apartment projects and the like, may consist of multiple pages and may contain numerous matters identified in the field by the surveyor that may or may not be of concern to the title insurer. This level of complexity requires a considerable underwriting time commitment and increases response time in being able to process orders and deliver commitments. There is also the danger of errors or omissions which could affect the coverage being provided by the policy.

Coverage provided by Chicago Title by way of the general survey exception wording appearing above provides the identical coverage as a survey read taking exception to specific matters shown on the particular survey. If there are omissions in the survey read, the result would be a failure to include matters which would be appropriate exceptions to title, thus giving an insured coverage for an omitted matter or matters which would certainly not have been the intention of any of the parties.

In response to requests for full survey reads and as an alternative to the cumbersome and time-consuming task of complying with them, we are able to include the general survey exception and then specifically address any concerns of the proposed insured by way of endorsement or otherwise. This promotes responsiveness and the ability to provide a timely product which is accurate while still providing the coverage desired. Specific coverage language can be provided and samples of that language are available from your local Chicago Title office. Both [ALTA Endorsements](#) and affirmative coverage language included in the general survey exception are means of satisfying the coverage requirements. As a result, meaningful and substantial coverage for survey matters will be provided in the policy.

We want to know your opinions and feedback about this underwriting approach. Respond to this Blawg Post or call or email one of the Chicago Title counsel in any of our offices. We value your business and support and we welcome your input.

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