

# Trust Protector Policy

## Background

Developed originally by a larger broker, the Master Trust Program has been in existence since 1984. The product was developed to provide ease of insurance administration for the ever changing personal trust real estate portfolios managed by fiduciary trust clients. The product provides one blanket insurance policy to cover all trust real estate, alleviating the need to purchase individual insurance policies with uncommon insurance terms, conditions and inception/expiration dates. Zurich entered the master trust arena in 1999. We saw the need to have a filed policy and developed the Trust Protector Policy in 2004.

## Coverage overview

The Trust Protector Policy provides comprehensive property and casualty insurance for personal real estate assets held in trust with banks that have a fiduciary responsibility for the real estate. The program is designed to protect both the bank and trust against loss or damage to such properties. Some commercial occupancies and all operating trusts are ineligible for the program. Coverage includes broad physical damage coverage for real and personal property and associated exposures that are held in trust. A blanket limit of \$5M per trust asset is provided for all real and personal property which allows for ease of administration. Following are some benefits of the Trust Protector Policy:

### Commercial property

Covered property for buildings is expanded to include:

- Residential condominium property which is the "trust's" insurance responsibility under a

corporation or association or property owner's agreement including:

- Items of real property which pertain exclusively to the "residence premises", and,
- Structures owned solely by the "trust", other than the "residence premises" at the described premises.
- Indoor and outdoor equipment including:
  - Fixtures including outdoor fixtures
  - Permanently installed machinery and equipment including signs whether or not attached to the building
  - Fire extinguishing equipment
  - Floor coverings
  - Alarm, communication or monitoring systems
  - Appliances used for refrigerating or ventilating, cooking dishwashing or laundering
  - Lawn maintenance or snow removal equipment

Covered property for personal property is expanded to include:

- Business personal property including all business personal property owned by the trust and used in the business at the "described premises":
  - Improvements and betterments
  - Furniture and fixtures
  - Machinery and equipment
  - Leased personal property for which the trust has a contractual responsibility to insure

- Residential personal property coverage
  - All residential personal property of a household nature which is owned by the trust and ordinarily used in conjunction with the occupancy as a dwelling at the described premises
- Farm personal property owned by the trust including:
  - Agricultural personal property of a household nature which is owned by the trust used in conjunction with the occupancy as a farm dwelling
  - Farm equipment, machinery, vehicles, implements, tools and supplies, unscheduled mobile equipment, including trucks, mobile homes, house trailers, farm wagons and trailers, milk tanks, bulk feed tanks or bins, portable buildings, irrigation equipment, cotton pickers and harvester-thresher combines
- Personal property at other locations belonging to a reported trust
- Personal property at exhibitions, fairs and trade shows owned by the trust
- Personal property in transit owned by the trust
  - Includes property sold when responsibility continues for the trust until property is delivered
- Who is an insured – Includes “trust’s” real estate managers as an insured.
- Who is an insured – As regards residential “trusts”, resident individual or spouse and resident household member.
- Who is an insured – Includes co-fiduciary, co-representative, beneficiary, devisee, legatee, ward, heir or distributee of the “trust”, guardianship or estate, and any co-owner or life tenant of the property.
- Who is an insured – Automatic coverage to persons or organizations who have a written contract with an insured with respect to the trust operations.
- Watercraft – Covers non-owned watercraft up to 26 feet while ashore on premises you own or rent.
- Coverage extension included for claims arising from any error or accidental omission in the operation of customary procedures of the trust department in failing to properly report the existence of a “trust” in regular reports.
- Chemical drift liability – Includes damage for physical injury to crops or animals caused by discharge, dispersal, release or escape into the air, from the “farm premises”, of the chemicals, liquids or gases that the insured has used in normal and usual agricultural operations.
- Farm employers liability – Includes damages the insured becomes legally obligated to pay that arise out of and are in the course of employment by the insured, that are sustained by a farm employee maintenance or use of portions of the location that are owned or operated for “farming purposes.”

### **General liability coverages**

Coverages and extensions include:

- Bodily injury – Includes bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
- Conditions – Includes knowledge of occurrence to designated agent, servant or employee. Does not imply knowledge by the insured unless the insured has received notice from the agent, servant or employee.
- Who is an insured – Includes volunteer workers as an insured.
- Supplementary payments – Payment for cost of bail bonds is \$250.
- Supplementary payments – Payment for loss of earnings because of time off from work is \$250.
- Tenant’s legal liability – Covers damage by causes of loss for which you are legally liable.
- Newly acquired organizations or trusts are automatically covered for 90 days

Coverage exclusions include:

- Employment related practices
- Professional services
- Pollution, asbestos and lead

## Claims

The Trust Protector Policy has dedicated claims adjusters that have been trained on the policy language and have the knowledge and experience needed to work with our customers.

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