

Mortgagee Protection Policy

Each time your financial institution provides financing for a mortgage, it encounters a potential financial risk. Zurich's Mortgagee Protection Policy offers coverages aimed at lending institutions that engage in granting primary residential and small commercial mortgages.

The program provides both mortgagee interest and mortgagee errors and accidental omissions insurance for the institution's interest in collateralized properties in the event that primary insurance coverage is not in force. It can help you protect your organization from:

- Mortgage impairment when there is uninsured physical damage to mortgaged properties
- Legal liability losses when it is the insured's obligation to maintain insurance or to make payment from escrow on behalf of the mortgagor.

Features of Zurich's Mortgagee Protection Policy

- Covers mortgages even if the original hazard policy is not retained.
- Provides legal liability for loss caused by a failure to pay real estate taxes or maintain FHA or VA insurance.
- Protects the organization's collateral when primary insurance on mortgaged property is uncollectible or if insurer is insolvent.
- Covers mortgaged property during or after foreclosure for a period of 60 days.
- Coverage includes participating mortgages and mortgages serviced for others.

- Provides 60-day automatic coverage for new mortgages acquired during the policy period.
- Coverage includes flood insurance coverage, including failure to determine if a property is in a special flood hazard area. Mobile home trailer coverage can be added to the basic form.
- Covers failure to pay real estate taxes including special taxes and municipal assessment.

Optional coverages

- Direct physical damage from balance of perils. Covers all other perils not required in the mortgage agreement.
- Extended covered property amends the definition of covered property to include machinery equipment, inventory, furniture and fixtures pledged as security for commercial loans.
- Loss due to the seizure and sale of covered property by a governmental agency because of non-payment of real estate taxes.
- Legal liability arising out of negligent errors, acts and accidental omissions in failing to properly process mortgage life and/or mortgage disability insurance for the benefit of the mortgagor.
- Property held in trust offers protection against errors and accidental omissions claims arising out of insured's procurement and maintenance of any property held in trust.

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- Retroactive liability coverage extension.
- Legal liability for an error or accidental omission in the verification, certification, maintenance and custody of documents concerning loans sold to GNMA, FNMA, FHLMC as defined in the custodial agreement.
- Legal liability and loss of mortgagee interest for negligent acts, errors or accidental omissions in failing to procure title insurance.
- Loss of mortgagee interest due to error or accidental omission in the operation of customary procedures in preparing, recording or releasing your mortgagee interest in covered property.

Mortgagee Protection Policy can give your business a competitive edge

Our Mortgagee Protection Policy helps lending institutions protect their mortgagee interest and covers mortgagee errors and accidental omissions in the event that primary coverage not in force.

Zurich

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This is intended as a general description of certain types of insurance and services available to qualified customers through the companies of Zurich in North America. Your policy is the contract that specifically and fully describes your coverage. The description of the policy provisions gives a broad overview of coverages and does not revise or amend the policy.

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