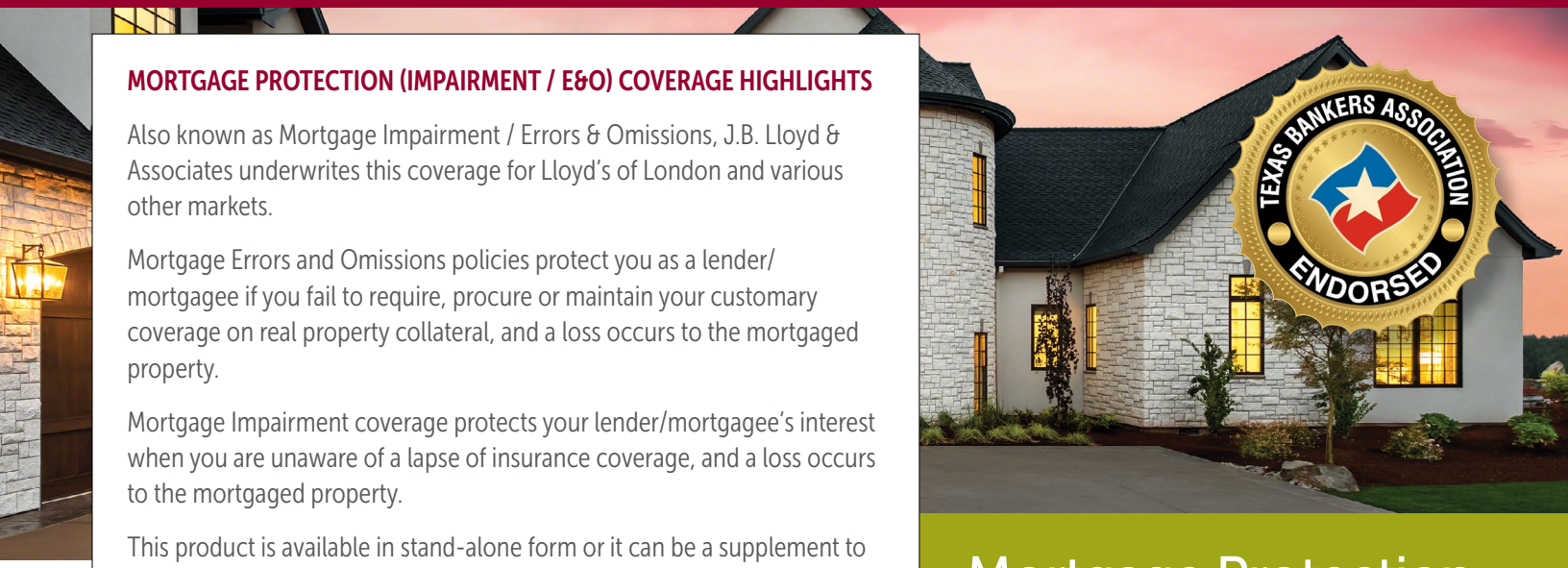
Specialty Insurance for the Financial Industry



MORTGAGE PROTECTION (IMPAIRMENT / E&O) COVERAGE HIGHLIGHTS

Also known as Mortgage Impairment / Errors & Omissions, J.B. Lloyd & Associates underwrites this coverage for Lloyd's of London and various other markets.

Mortgage Errors and Omissions policies protect you as a lender/ mortgagee if you fail to require, procure or maintain your customary coverage on real property collateral, and a loss occurs to the mortgaged property.

Mortgage Impairment coverage protects your lender/mortgagee's interest when you are unaware of a lapse of insurance coverage, and a loss occurs to the mortgaged property.

This product is available in stand-alone form or it can be a supplement to the Lender Placed or Blanket Hazard Programs. Depending on the Lender Placed program you have in place, the Mortgage Impairment can be tailored to fit and pricing can be credited.

BALANCE OF PERILS COVERAGE

- Protects impaired loans against perils not required to be insured by the borrower in the loan contract. See *Summary of Available Coverages—Section B* on the reverse.

OPTION TO PURCHASE AN EX CHECKING POLICY

- The Mortgage Impairment Program contains flexible terms and pricing related to the level of your insurance tracking processes.

90 DAY RULE

- Provides 90 days for the bank to insure a property once the bank becomes aware of a lapse in coverage.
- Provides 90 days of coverage for REOs once the property is foreclosed.

GET A QUOTE

- The following information is required for a quote:
  - Application or renewal application
  - Declarations Page to match Limits/Deductibles
  - Loss Runs

See reverse for ***Summary of Available Coverages***

Mortgage Protection (Impairment / E&O) Program

J.B. Lloyd & Associates, a division of IGP Specialty, specializes in providing the most comprehensive insurance programs for banks, and is endorsed by the Texas Bankers Association for Lender Placed Hazard & Flood and Mortgage Impairment/Errors and Omissions Insurance.

CONTACT US

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J.B. LLOYD & ASSOCIATES

A DIVISION OF INNOVATION GROWTH PARTNERS SPECIALTY, LLC

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Mortgage Protection (Impairment / E&O) Program

For all financial institutions and their subsidiary servicing companies

TEXAS BANKERS ASSOCIATION ENDORSED

SUMMARY OF AVAILABLE COVERAGES

Any combination of sections outlined below may be purchased, provided Sections A and/or B are included.

Section A (1)
Physical loss or damage from "required peril." Cover loss to the Named Insured's interest through the uncollectability or non-existence of insurance against perils that are required to be purchased by the borrower, including mandatory flood insurance, in the Named Insured's loan closing procedures.

Section A (2)
Failure to Pay Real Estate Tax Mortgage Interest. Covers loss to the Named Insured due to the seizure and sale of the property by a governmental agency as a result of failure to pay real estate taxes by the Named Insured or the Borrower.

Section B
Physical loss or damage from balance of perils. Provides insurance should the security for the loan suffer a physical loss from any other cause other than outlined in A(1) and the Named Insured be unable to recover the loan from the borrower.

Section C (1)
Procuring or Maintaining Mortgagor's Insurance Policies. Covers the Named Insured against errors and omissions on claims made basis relating to the Named Insured's handling of physical damage insurance and homeowners insurance covering the real property of borrowers.

Section C (2)
Life and disability insurance. Covers the Named Insured against errors and omissions arising out of the Named Insured's procurement and maintenance of life or disability, including accidental death and dismemberment. Insurance on behalf of a borrower.

Section C (3)
Flood Disaster Act 1973 liability. Covers the Named Insured against errors and omissions claims arising out of Named Insured's duty to determine whether or not a particular property is in a flood zone.

Section C (4)
Real Estate Tax Liability. Covers the Named Insured against errors and omissions relating to non-payment of real estate tax by the Named Insured.

Section C (5)
Recordation Coverage. Covers the Named Insured against errors and omissions relating to recordation of loans sold the GNMA, FNMA or FHLMC.

Section C (6)
GNMA, FNMA and FHLMC procedures. Covers the Named Insured, as mortgage services, against errors and omissions should the Named Insured fail to comply with procedures, which result in a guarantee being lost.

Section C (7)
Custodial Coverage. Covers the Named Insured against errors and omissions in the certification, maintenance and custody of documentations affecting the interest of the GNMA, FNMA or FHLMC.

Section C (8)
Title Insurance. Covers the Named Insured against errors and omissions relating to the requirement by the Named Insured of a borrower that title insurance be obtained.
(Section C coverages are on a "claims made" basis and, in addition, provide for the Named Insured's defense costs, within the limits.)

Section D
Loss of Veterans Administration, Federal Housing Administration, Small Business Administration and private mortgage guarantee coverage. Covers loss to the Named Insured's interest should he fail to provide to a "mortgage guarantee" agency or Insurance Company its proper notice of loans in arrears.

Section E
Loss of Security Interest due to defective titles (a complementary section with C8). Covers the Named Insured's owner mortgage interest arising from defective title.

Subject to policy terms, conditions and exclusions.

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