



New Product Alert: Mortgageholders Coverage Program (MCP)

BY BETSY GOOD – VICE PRESIDENT, FINANCIAL SERVICES

Economic risks and exposures associated with mortgage portfolios have become more complex; so has protecting banks from losses. As a response to this, Intact Financial Services has created a new policy to account for different types of losses that could impair mortgages, as well as certain exposures from originating and servicing loans.

Some questions to keep in mind when reviewing your borrower's insurance policies:

1. Is the insurance covered by an escrow account you control? Make sure you have documentation that the insurance is in force. Mistakes have been made when lenders assume an installment payment covered the whole year.
2. If you don't escrow money for the insurance, do you have evidence of insurance in hand? When does it expire? Is it still in force?
3. Be proactive – if a mortgage is delinquent, contact the insurance agent and make sure coverage is in force. Give the agent your contact information should anything come up.

Being proactive helps, but there's always the possibility of an oversight

Insurance could lapse without your knowledge, and an endorsement approach may no longer be the best solution for protection. The benefit of Intact Financial Service's Mortgageholders Coverage Program is that there are over fifteen different insuring agreements available, with ample room for flexibility for a customized solution that meets your needs. Here are just a few of the coverage highlights:

- No vacancy provision
- No hard and fast warranty
- Admitted coverage
- Mortgageholder's Liability is written on an occurrence basis with defense outside
- Multiple options for Balance of Perils
- Post termination coverage extends liability coverage for up to a year after mortgage satisfaction

Take this time to review and upgrade your protection. To learn more about MCP, contact Betsy Good at egood@intactinsurance.com or 781.332.8357.

Coverages may be underwritten by one of the following insurance companies: Atlantic Specialty Insurance Company, a New York insurer; Homeland Insurance Company of New York, a New York insurer; Homeland Insurance Company of Delaware, a Delaware insurer; OBI America Insurance Company, a Pennsylvania insurer; OBI National Insurance Company, a Pennsylvania insurer; or The Guarantee Company of North America USA, a Michigan insurer. Each of these insurers maintains its principal place of business at 605 Highway 169 N, Plymouth, MN 55441, except The Guarantee Company of North America USA, which is located at One Towne Square, Southfield, MI 48076. This material is intended as a general description of certain types of insurance coverages and services. Coverages and availability vary by state; exclusions and deductibles may apply. Please refer to your insurance policy or consult with your independent insurance advisor for information about coverages, terms and conditions.