



Intact Financial Services | Foreclosed and Trust Property Package

Our Foreclosed and Trust Property Package policy offers property and liability coverages for properties that are foreclosed upon or held in trust. The minimum premium is \$1,000, due upon issuance; as properties are added, the deposit is applied with no additional premium due until the rated premium exceeds the deposit. Premiums are prorated as of the date added, through the end of the policy term, and when removed, the return premium is prorated to reflect the actual time the property is covered on the policy. Our policy offers several features and advantages:

Reporting Options



- Add/Delete as properties are acquired – this is the norm
- Monthly – for active schedules with endorsement processed based on monthly reports
- Quarterly – offered on a case-by-case basis with endorsements processed based on quarterly reports



Properties with insured values at over \$250,000 should be reported as soon as possible regardless, as the automatic (un-reported) coverage is capped at \$250,000.

Automatic Coverage



- Dwellings Acquired or Other Than Dwellings Acquired
- \$250,000 per building
- Premises Liability
- Up to 60 Days



Insureds should be reporting as foreclosures are acquired/sold; automatic coverage is a backstop for unintentional omissions.

Valuation

Our standard offering is:

- Agreed Value
- Replacement Cost
- Coinsurance Waived
- Other options are available when warranted from an underwriting standpoint or upon request, such as Actual Cash Value with Coinsurance provisions. We allow flexibility for the insured in selecting property limits rather than being tied solely to the outstanding mortgage balance.



No Vacancy Provision

- There is no vacancy provision built into the form. There may be underwriting reasons to add it by endorsement on an exception basis for some properties, but in general, it is not used.
- Some competitors include the provision in their form, excluding or limited coverage for buildings that are vacant more than 60 consecutive days before that loss or damage occurs:
 1. Vandalism (option to include coverage)
 2. Sprinkler leakage (option to include if insured has protected the system against freezing)
 3. Building glass breakage
 4. Water damage
 5. Theft
 6. Attempted theft

With respect to Covered Causes of Loss other than those listed in 1. - 6. above, the amount that would otherwise be payable will be reduced by 15%



Beware of Competitor Exclusions

- Theft – Intact does not exclude theft; many competitors do. Theft of valuable equipment or materials is a common cause of loss in vacant properties.
- Water damage – Some competitors have broad water damage exclusions that preclude coverage for any water damage, even water damage that is sudden and accidental, and/or from freezing. Our policy is broader than many competitors providing water damage coverage from several sources – even broader than ISO’s Causes of Loss – Special Form in some cases:
 - These are all covered by virtue of their absence in Intact’s Flood exclusion [exclusion B.1.b.(1)(f)]; you’ll see the typical exclusionary language in ISO exclusion for Water Damage in the Cause of Loss – Special form, [exclusion B.1.g].
 - Surface Water
 - Water under ground surface pressing on, or flowing or seeping through various named surfaces; and
 - Water that backs up or overflows from a sewer, drain or sump (sublimit applies)



Beware of Competitor Exclusions (Continued)



- By mimicking ISO's Causes of Loss Special Form exclusions, we continue to provide coverage for:
 - Frozen pipes that burst (provided heat is maintained or water is off and equipment is drained) - per the exception to the exclusion.
 - Intact Exclusion: B.1.b.(2)(e) Frozen Plumbing;
 - ISO Causes of Loss – Special Exclusion: B.2.g.
 - Sudden and accidental seepage or leakage – the exclusion only applies when seepage or leakage has occurred over a period of 14 days or more.
 - Intact Exclusion: B.1.b.(2)(i) Seepage or Leakage of Water;
 - ISO Causes of Loss – Special Exclusion: B.2.f.

Other Enhancements

(*Deductible does not apply)



- \$5,000 Property in Transit
- \$5,000 Property at Other Locations
- \$5,000 Reward*
- \$5,000 Claim Expense*
- \$10,000 Expediting Expense*
- \$15,000 Fungus, Wet Rot, Dry Rot
- \$ 2,500 Cyber Vandalism Coverages
- \$10,000 Preservation of Property - Expense
- \$ 1,000 Lock Replacement
- \$25,000 Back Up Sewers & Drains
- \$5,000 Miscellaneous Coverage Limit
 - Personal Effects
 - Valuable Information Property
 - Accounts Receivable
 - Outdoor Property
 - Fine Arts
 - Fire Extinguishers/System Recharge
 - Conditional Sales Agreement
 - Tenants Improvements & Betterments

About Intact Insurance Specialty Solutions

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