

## ***Mortgage Protection Insurance Application***

Throughout this application the words "you" and "your" refer to the Insured Applicant. The words "we," "us" and "our" refer to the Chubb company that will provide the insurance.

This application pertains to the following mortgage-related coverages:

- A. **Mortgage Impairment Insurance (MI)**– mortgage impairment insurance is a type of property coverage which indemnifies you for loss of unpaid mortgage principal and accrued interest, known as mortgage holder’s interest,
- arising from direct physical loss or damage to the mortgage property; and
  - after such loss or damage occurs, the mortgagor (borrower) defaulted on the mortgage payments; and
  - such mortgagor did not procure or maintain valid insurance to protect your mortgage interest on the mortgaged property when the mortgage agreement states the mortgagor will procure and maintain such insurance.
- B. **Mortgagee Errors and Omissions (ME&O)**– mortgagee errors and omissions insurance is a type of property coverage which indemnifies the you for loss of unpaid mortgage principal and accrued interest, known as mortgage holder’s interest,
- arising from direct physical loss or damage to the mortgage property; and
  - after such loss or damage occurs, the mortgagor (borrower) defaulted on the mortgage payments; and
  - the you did not procure or maintain valid insurance to protect the mortgaged property in accordance with the terms of the mortgage agreement.
- C. **Mortgage Holder’s Liability** – mortgage holder’s liability is a liability coverage which indemnifies you for claims arising out of your negligent acts, errors or omissions in servicing mortgages on behalf of mortgagors and mortgage owners/lenders. You may apply for all or any of the following seven (7) mortgage holder’s liability insurance coverages:
1. **Flood Hazard Determination Liability** – indemnifies you for claims arising out of your negligent act, error or omission in determining in accordance with the mortgage agreement, that mortgaged property is located in a Special Flood Hazard Area as defined by the Federal Emergency Management Agency
  2. **Hazard Insurance Placement Liability**- indemnifies you for claims arising out of your negligent act, error or omission in procuring or maintaining insurance against direct physical loss or damage to mortgaged property for the benefit of both the mortgagor or the mortgagee in accordance with the terms of the mortgage agreement.
  3. **Life and Disability Insurance Placement Liability** - indemnifies you for claims arising out of your negligent act, error or omission in procuring or maintaining valid life (including accidental death and dismemberment), health or disability insurance on the life or health of the mortgagor of the mortgaged property for the benefit of the mortgagor and/or the mortgagee in accordance with the terms of the mortgage agreement.

4. Mortgage Insurance Placement Liability - indemnifies you for claims arising out of your negligent act, error or omission in procuring or maintaining or failing to procure or maintain mortgage guarantee insurance from a mortgage insurer.
5. Real Estate Tax Liability - indemnifies you for claims arising out of your negligent act, error or omission in paying real estate taxes or real estate assessments on mortgaged property on behalf of the mortgagor in accordance with the terms of the mortgage agreement.
6. Seller/Service Liability - indemnifies you for claims arising out of your negligent act, error or omission in:
  - verifying, certifying, recording, maintaining or storing documents affecting the interest of FHLMC, FNMA or GNMA in a loan or in the property offered as security for a loan, when acting as trustee for, or seller to, and/or servicer of mortgage loans for FHLMC, FNMA or GNMA;
  - paying FHLMC, FNMA or GNMA guarantee fees when due;
  - certifying or recertifying to FHLMC, FNMA or GNMA that all procedures required by FHLMC, FNMA or GNMA have been complied with and are being followed; or
  - complying with the procedure required by FHLMC, FNMA or GNMA; which results in the loss of the FHLMC, FNMA or GNMA guarantee

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*General Information*

*Insured/Applicant*

*Other Affiliates/  
Subsidiaries Involved in  
Mortgage Operations*

*Policy Term*

*Producer*

*Chubb Producing Branch*

***Mortgage Insurance Coverage Applied for***

Please provide the following information regarding the mortgage insurance coverage for which you are applying for:

	Type	Limit per Occurrence	Deductible Per Occurrence
<i>A. Mortgage Impairment (Mortgage Holder's Interest Insurance)</i>	All	\$	\$
<i>B. Mortgagee Errors or Omissions (Mortgage Holder's Interest Ins)</i>	All	\$	\$
<i>C. Mortgage Holder's Liability Insurance</i>		Limit (Not greater than \$1,000,000)	
	1. Flood Hazard Determination Liability	\$	
	2. Hazard Insurance Placement Liability	\$	
	3. Life and Disability Insurance Placement Liability	\$	
	4. Life and Disability Insurance Placement Liability	\$	
	5. Mortgage Insurance Placement Liability	\$	
	6. Real Estate Tax Liability	\$	
	7. Seller/Service Liability	\$	
	Mortgage Holder's Liability Aggregate Limit	<input type="checkbox"/> \$1,000,000 <input type="checkbox"/> \$2,000,000	
	Deductible per occurrence (if applicable)	\$	

**Optional Coverages  
Applicable to MI and ME&O**

Please indicate below if you would like to include the following optional coverages applicable to Mortgage Impairment and/or Mortgagee Errors & Omissions:

- Water Damage (surface water, sewer backup)  Yes  No
- Boiler and Machinery (elec. injury, mechanical breakdown, steam boiler)  Yes  No
- Earth Movement (excluding earthquake)  Yes  No Aggregate Limit \$
- Earthquake  Yes  No Aggregate Limit \$

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**Mortgage Portfolio Covered  
by This Insurance**

Please provide the following information regarding the mortgage portfolio for which you are applying insurance. If you would like this insurance to apply them, please include mortgages that you own but serviced by others and mortgages that you serviced for others.

	Type	No. of Mortgages	Total Loan Balance	Average Loan Balance	Largest Single Loan Balance
<i>A. Portfolio Subject to Mtg Impairment (Mtg Holder's Interest Insurance)</i>	Residential		\$	\$	\$
	All other		\$	\$	\$
	Total		\$	\$	\$
<i>B. Portfolio Subject to Mortgagee Errors or Omissions (Mtg Holder's Interest Insurance)</i>	Residential		\$	\$	\$
	All other		\$	\$	\$
	Total		\$	\$	\$
<i>C. Portfolio Subject to Mortgage Holder's Liability Insurance</i>	Residential		\$	\$	\$
	All other		\$	\$	\$
	Total		\$	\$	\$

**Questions Applicable to MI and ME&O**

Please complete only if you are applying for Mortgage Impairment and/or Mortgage Errors & Omissions insurance.

1. In addition to Fire and Extended Coverages, what other perils do you require to be covered by insurance?

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2. Do you verify whether valid insurance for the mortgaged property exists at the closing of the loan?

If Yes, do you document such insurance verification?

3. Do you require that flood insurance be procured for the mortgaged property if the property is in a “special flood hazard area” (flood zone)?

4. Do you require that earthquake insurance be procured for mortgaged property located in California?

Yes  No

5. Do you review the underlying property policy for accuracy?

Yes  No

6. Do you verify whether the location (and/or description) of the mortgaged premises and named insured on the underlying property policy agree with your records?

Yes  No

7. Do you require that the mortgaged property be insured to an amount not less than the mortgage loan value?

8. Do you require that the property insurance carrier have an A.M. Best rating of at least “B+”?

9. Do you require that the property insurance policy show you as an additional loss payee?

Yes  No

10. For construction loans, do you require the mortgagor to carry a Builder’s All Risk policy (Building Under Construction policy)?

Yes  No

Yes  No

Yes  No

Yes  No

Yes  No

Yes  No

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11. Please attach or provide us a list of losses in the last 5 years. If none, please check here

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**Questions Applicable  
to MI Only**

Please complete only if you are applying for Mortgage Impairment insurance.

12. Do you send annual insurance reminders/ notices to the mortgagors regarding their insurance obligations?  Yes  No

If Yes, please attach or provide us a copy of such reminder.

13. How do you verify annually or periodically that insurance on mortgaged property is in place or renewed?

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

14. Do you notify the mortgagor and your forceplaced property insurance carrier when it becomes known to you that the mortgaged property is not covered by insurance?  Yes  No

If yes, indicate the number of days of such notification from **the date your knowledge**

\_\_\_\_\_

Please indicate the name of your forceplaced property insurance carrier

\_\_\_\_\_

15. In the past 3 years, please indicate the total number cases when it became known to you that the mortgaged property is not covered by valid and acceptable insurance \_\_\_\_\_

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**Questions Applicable to ME&O Only**

Please complete only if you are applying for Mortgage Errors & Omissions insurance.

16. Do you require escrow funds from mortgagors for insurance premiums?  Yes  No

17. Do you have procedures in place that require you to review insurance on the mortgaged property at least 90 days prior to the renewal of such insurance?  Yes  No

18. If you are servicing mortgages owned by other financial institutions, what other types of services do you provide?

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\_\_\_\_\_  
\_\_\_\_\_

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**Additional Information/  
Documents Requested**

Please provide us a copy of the following documents:

1. A copy of your mortgage contract/agreement
2. A recap of your mortgage portfolio showing total loan balance and total number of mortgages by state
3. If this insurance applies to owned mortgages serviced by other institutions (not owned by you), please provide
  - A recap of those mortgages showing total loan balance and total number of mortgages
  - A copy of the Mortgage Servicing Agreement

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**Completed By**

\_\_\_\_\_  
\_\_\_\_\_  
Name  
\_\_\_\_\_  
Title  
\_\_\_\_\_  
Company Date