

# LOSS PAYABLE PROVISIONS

Refer to the Supplemental Declarations if information is not shown on this form. The coverage under this endorsement is subject to the *terms* contained in the General Policy Provisions.

#### SCHEDULE

Premises No. Bldg. No. **Description of Property** 

Loss Payee: (Name & Address): Provisions Applicable (Check Applicable Provision(s)) Contract

		contract
Loss	Lender's	of
Payable	Loss Payable	Sale

#### A. Loss Payable.

For covered property in which both *you* and a *Loss Payee* shown in the Schedule or on the Declarations page have an insurable interest, *we* will:

- 1. adjust losses with you; and
- 2. pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.

## B. Lender's Loss Payable.

- 1. The *Loss Payee* shown in the schedule or on the Declarations page is a creditor (including a mortgage holder or trustee) with whom *you* have entered a contract for the sale of covered property, whose interest in that property is established by such written contract as:
  - a. Financing statements;
  - b. a contract or deed;
  - c. bill of lading;
  - d. warehouse receipts.
- 2. For covered property in which both you and a Loss Payee have an insurable interest:
  - a. We will pay for covered loss or damage to each Loss Payee in their order of precedence, as interests may appear.
  - b. The *Loss Payee* has the right to receive loss payment even if the *Loss Payee* has started foreclosure or similar action on the covered property.
  - c. If we deny your claim because of your acts or because you have failed to comply with the terms of the General Policy Provisions, the Loss Payee will still have the right to receive loss payment if the Loss Payee:
     (1) pays any premium due under this policy at our request if you have failed to do so;
    - (1) pays any premium due under any poney at our request if you have rande to do so;
      (2) submits a signed, sworn proof of loss within 60 days after receiving notice from *us* of *your* failure to do so; and
    - (3) has notified us of any change in ownership, occupancy or substantial change in risk known to the Loss Payee.

If all of these conditions are met, then the *terms* of this policy will then apply directly to the *Loss Payee*.

- d. If *we* pay the *Loss Payee* for any loss or damage and deny payment to *you* because of *your* acts or because *you* have failed to comply with the *terms* of this policy:
  - (1) the *Loss Payee*'s rights will be transferred to *us* to the extent of the amount *we* pay; and
  - (2) the Loss Payee's right to recover the full amount of the Loss Payee's claim will not be impaired.
  - (3) at *our* option, *we* may pay to the *Loss Payee* the whole principal on the debt plus any accrued interest. In the event *we* make such payment, *you* will be obligated to pay *your* remaining debt to *us*.
- 3. If *we* cancel this policy, *we* will give written notice to the *Loss Payee* at least:
  - a. 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
  - b. 30 days before the effective date of cancellation if *we* cancel for any other reason.
- 4. If *we* do not renew this policy, *we* will give written notice to the *Loss Payee* at least 10 days before the expiration date of this policy.

### C. Contract of Sale.

- 1. The *Loss Payee* shown in the Schedule or on the Declarations page is a person or organization *you* have entered a contract with for the sale of covered property.
- 2. For covered property in which both you and the Loss Payee have an insurable interest, we will:
  - a. adjust losses with you; and
  - b. pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.