



## 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

<b>Premises No.</b>	<b>Bldg. No.</b>	<b>Description of Property</b>
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**Loss Payee:**  
(Name & Address):

	Provisions Applicable (Check Applicable Provision(s))		
	Loss Payable	Lender's Loss Payable	Contract of Sale
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**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. Lenders' 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;
  - (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.