

## Premises Policies for Commercial Lenders Fact Sheet

Great American offers coverage for commercial real estate lenders who desire to protect their security interest against losses resulting from pollution conditions on, under, or migrating from the insured collateral.

A commercial lender's objective is to facilitate mutually beneficial relationships with clients to help them achieve their business goals. In the instance a borrower is unable to fulfill their obligation, the commercial lender may assert their equitable rights to assume management of the borrower's property, which may have significant environmental exposures. Great American understands the intricacies of these exposures and can help protect the commercial lender against experiencing further loss.

Our Environmental Premises Commercial Lender policy is specifically tailored to protect secured creditors from liability arising out of known and unknown pollution conditions at the insured real estate.

Our lender-exclusive product affords indemnity protection for the lesser of the estimated remediation costs or loan balance. It also provides coverage for third-party bodily injury, property damage claims, diminution in value of the collateral, and business interruption.

### Policy Benefits

Coverage provided under the Environmental Premises Commercial Lender policy is similar to traditional site pollution policies with some important differences.

- Coverage for remediation of secured real estate
- Coverage for the *lesser* of the estimated remediation costs or remaining loan balance following a default
- Coverage for third party bodily injury and property damage
- Coverage for diminution in value of the collateral
- Coverage for business interruption
- Coverage for emergency response costs
- Additional limit for legal expense
- Public relations coverage
- Insured entities include special and master servicers and trustees
- Assignable to subsequent purchasers of the loan

### Policy Features

- Limits of liability up to \$50 million; each pollution condition/ \$100 million aggregate
- Policy terms of up to thirteen (13) years
- \$5,000 minimum premiums
- Covers locations in the U.S. or Canada

### Submission Requirements - Application

- Past two (2) years of the borrower's audited financial statements
- Commercial mortgage loan documents plus any applicable environmental indemnity agreements
- The Credit Memorandum
- All environmental site assessments and property conditions assessments



### Environmental Division Main Office

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Insurance Company

**110+** years with an **A** or better rating by AM Best

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AM Best rating affirmed December 3, 2021. Great American Insurance Group, 301 E. Fourth St., Cincinnati, OH 45202. Coverage is summarized. Refer to the actual policy for a full description of applicable terms, conditions, limits and exclusions. Policies are underwritten by Great American Insurance Company, an authorized insurer in all 50 states and the D.C. and Great American E&S Insurance Company, an OH domiciled surplus lines insurer, eligible to underwrite surplus lines insurance in all 50 states and the D.C. This is not intended as a solicitation or offer to sell an insurance product in a jurisdiction in which the solicitation, offer, sale or purchase thereof would be unlawful. © 2023 Great American Insurance Company. All rights reserved. 5488-8-ENV (01/23)

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