



## PERSONAL PROPERTY SECURITY ACT

Eliminating Risks, Reducing Costs and Enhancing Value

**Chicago Title Insurance Company Canada** is now offering a PPSA Plus insurance policy to complement our current commercial real estate loan title insurance policy. Chicago Title is always looking for ways to protect their insured's interests by eliminating risks and reducing costs associated with real estate and personal property transactions.

### What is a PPSA Plus insurance policy?

Personal property granted as security for a loan can now be insured with Chicago Title Insurance Company Canada. The PPSA Plus policy shifts the risk from the insured lender to Chicago Title by insuring the validity, enforceability, attachment, perfection and priority of the lender's security interest or lien.

A PPSA Plus insurance policy offers the following coverage for losses resulting from:

- Invalid security attachment, perfection and priority
- Fraud, forgery, undue influence, duress or impersonation
- Incapacity, incompetency or lack of authority
- Loan documentation defects
- Search office errors and omissions
- Indexing inconsistencies
- Financing statement irregularities and defects

### Types of transactions

A PPSA Plus insurance policy can be purchased with a commercial real estate loan title insurance policy or as a stand-alone policy. It can be ordered for any transaction where a security interest is pledged as collateral and filed in the Personal Property Security Registration (PPSR) system.

There is a wide variety of transactions that will benefit from a PPSA Plus insurance policy:

- 🏠 Mixed-collateral loans
- 🏠 Mezzanine financing
- 🏠 Asset-based loans
- 🏠 Existing loan portfolios
- 🏠 Project financing

### Types of collateral

Examples of collateral includes, but is not limited to equipment, inventory, furniture, accounts receivables, general intangibles and collateral pledged as part of a general security agreement.

### Benefits of the PPSA Plus insurance policy:

- 🏠 Insurance available for both real estate and personal property of a mixed-collateral transaction.
- 🏠 Enhanced protection for security interests.
- 🏠 Complements the legal opinion as most opinions will contain numerous qualifications and exceptions.
- 🏠 Loss of interest due to gaps in filing and recording.
- 🏠 Coverage for legal fees and costs to defend the interest.
- 🏠 Coverage is in effect for the life of the loan for a one-time premium.
- 🏠 Valuable, experienced and knowledgeable second set of eyes to review due diligence and search results.
- 🏠 Shift the risk for all documentation and lien priority issues to Chicago Title.
- 🏠 Minimize lawyers' exposure to claims against their errors and omissions policy.
- 🏠 PPSA Plus coverage is fully assignable if the loan is sold or securitized.

### How to order

Contact Chicago Title via email or telephone to request a stand-alone PPSA Plus policy or simply click Yes to a PPSA Plus insurance policy while ordering your commercial real estate loan title insurance policy through our leading-edge online ordering system CTIC Express.

*This document is intended to provide general information on PPSA insurance. For specific details regarding policy coverages, exceptions, and exclusions, please contact us for copies of the complete PPSA Plus insurance policy.*