

# Blanket Equipment **CASE STUDY**

## HEADLINE HERE

Unitas Financial Services helped The Union Bank Implement a Blanket Commercial Equipment Policy to mitigate the risk of unknown uninsured collateral and increase servicing efficiencies.

# The Challenge

Union Bank faced challenges in efficiency and cost while using manual review processes and a tickler system for tracking. The bank staff found their day-to-day operations frustrating due to the heavy workload that came with their outdated tracking process.

They were burdened with the unnecessary tasks of contacting commercial customers for proof of coverage, updating ticklers, and ensuring that a copy of the insurance was included in each loan file. The fear and stress of missing an insurance cancellation and causing losses were becoming overwhelming for staff members. When executives heard there was a way to eliminate these issues, they were quick to listen to Unitas' solution.

Due to past successes and positive experiences with Unitas Financial Services on a variety of their products, top management decided to make a change and worked with Unitas Financial Services to implement their Commercial Equipment Blanket policy.

## Key Findings

- The bank incurred additional expenses due to several staff members focusing on tracking insurance policies to ensure collateral was secure.
- Staff spent countless hours each week handling the tedious tasks associated with tracking insurance and sending warning notifications.
- The bank faced challenges with tracking and verifying insurance on a monthly basis using a manual tickler system, which left room for error.
- The risk of negatively impacting borrowers by incorrectly force-placing insurance when adequate coverage was in place was eliminated.

## BANK FACTS

The Union Bank was founded in  
**1904**

Reported assets as of 12/31/2017  
**\$780.4 MILLION**

Number of locations as of 12/31/2017  
**17**

# Our Approach

At Unitas, we know every partner is unique, and therefore, it is our goal to understand the challenges they are looking to overcome or the efficiencies they are seeking to achieve.

Focusing on client success and long-term collaborative partnerships rather than sales figures has led to increased growth and recognition as a leader in the industry. Our team takes a simplified approach to risk management, focusing on educating and guiding partners on the programs that best fit their needs.

## We take a simplified approach.

We value transparency, integrity, extensive product knowledge, and maintaining long-term collaborative partnerships with our clients. This approach allows us to work closely with clients over time, understanding their evolving needs and providing ongoing support and value.



### **Educate**

Successful partnerships begin with educating clients on how each program works, the benefits, regulations involved, and costs associated.



### **Guide**

It is our approach to helping guide our partners towards the programs that best fit their needs.



### **Implement**

We work to implement compliant and fully customizable risk transfer solutions to satisfy the unique needs of our clients.

# The Solution

The Commercial Equipment Blanket policy provides single-interest coverage designed to protect commercial equipment from uninsured losses on loans / leases when equipment is held as collateral. The blanket nature of the policy reduces or eliminates the need to track and force-place insurance after loan closing.

The policy offers higher limits of liability, including coverage for tangible collateral that a typical Blanket VSI program does not offer. All perils are covered, unless excluded. If a police record demonstrates forced entry theft, it is covered as long as the claim is filed within 60 days after the loss. The coverage also satisfies auditor and examiner requirements for collateral insurance.

## The benefits of the policy:

- Reduces the administrative time and costs associated with tracking insurance.
- Eliminates the risk and error of force-placing coverage on insured collateral.
- Reduces negative borrower contact over force-placed insurance notifications.
- Protects the lender from unexpected charge-offs.
- Avoids uninsured losses due to unknown insurance lapses or cancellations.

## Standard eligible collateral includes:

- Ag Equipment and Tractors.
- Semi's, dump trucks, and commercial autos.
- Business assets (office, restaurant, etc.).
- Business inventory, and more.

# The Impact

With the implementation of Unitas Financial Services' Commercial Equipment Blanket policy, **"Turn-around time to coverage was minimal, and the impact was immediate,"** said Union Bank's Donna Brown, Vice President, Loan Operations.

The Blanket Equipment policy saves The Union Bank Company countless work hours, labor costs, and helped to avoid numerous customer headaches. It has minimized touches to customer accounts, therefore, minimizing human error and maximizing accountability.



## Eliminated Tracking

The blanket nature of the policy provided the bank with automatic portfolio coverage, eliminating the need to track insurance post-close while also helping the secure their financial interest in the collateral.



## Created Efficiencies

By eliminating the need to track insurance, send letter notifications and force-place coverage, the bank was able to re-orient human capital toward growth goals and core competencies.



## Reduced "Noise"

The elimination of warning letters and the possibility of false placements removed a major source of relational friction with highly valued borrowers, leading to a decrease in overall 'noise' and negative feedback.



## Sense of Compliance

Implementing the policy not only gave the bank peace of mind knowing their financial interest in the collateral was secure, but also ensured that they are compliant with regulatory requirements.

# Overview of Unitas

is an industry leading provider of compliance-driven risk transfer solutions, catering to clients all over the country.

Our team's proficiency in combining creativity, data-driven technology, and expertise allows us to provide effective and customizable specialty solutions.

We are dedicated to providing integrated solutions that address the specific needs and challenges faced by our client base, which includes community lenders, loan servicers, property investors, and fintechs.

**10**  
Office  
Locations

**50**  
States  
Represented

**15**  
Carriers  
Represented

**45m<sup>+</sup>**  
Annual  
Premium

## Blanket 360

### Portfolio Protection

Solutions that provide automatic loan portfolio coverage, eliminating the need to track insurance, send warning letters notifications and force-place insurance on uninsured collateral.

### Loan Originations

Programs to lower origination costs, help increase loan volume and protect the loan & borrower.

### Loan Servicing

Solutions to provide portfolio protection, reduce uninsured losses, and streamline servicing operations.

### Compliant & efficient

- Soc II Compliant & Data Secure.
- Top-rated insurance carriers.
- Fast & efficient claims processing.
- Dedicated client success managers.

### Partnerships present opportunities.

We partner with innovative platforms to expand market reach and improve loan portfolio performance.

Our partnership program is designed to elevate lenders, agencies, and financial technology providers to new heights via collaboration.

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