



**October 20-23, 2022 | Westin Boston Seaport District**

10/22/2022

**They Want What?? (or Making the Mortgagee Happy!)**

10:00AM -11:00 AM

Irene Morrill

CEUs: 1

Massachusetts Association  
of Insurance Agents





# They want what????

# Making the bank happy?



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With special thanks to the Insurance Services Office, Inc. for advance information, continued support, and permission to use their forms and information.

## **Should bank be an additional insured?**

**I have an insured refinancing a DP3. The mortgage company is asking to be listed as the mortgage and an additional insured.**

**The Insurance company is XXX ,and they will not list the mortgage company as an additional insured.**

**I honestly in my many years in the business have never listed a mortgage as an additional that I remember anyways.**

**Can you tell me if this something that is being asked?**

**And if we cannot do this ,how do we get around it?**

**Is there policy language to send along to the mortgage company**

**Should bank be an additional insured?**

**I don't know any company that would do it nor should they.**

**As mortgagee they have rights under the policy to get paid.**

**As told by Dan Foley, Esq MAIA Legal consultant – as a mortgagee they should not be legally responsible for BI/PD arising out of a property they hold the mortgage on.**

**Once they foreclose ...that's a horse of a different color!**

**I receive various questions asking if they should type on the binder what the bank wants**

**The Bank wants me to state that on the binder:**

**insurance is written to 100% ITV**

**or**

**insurance is written on a “guaranteed replacement cost” ...**

**or**

**insurance is “100% replacement cost”**

**or**

**“If there is no agreed amount endorsement or coinsurance waiver, is the current coverage limit written to 100% of the total insurable value (ITV)? (regarding condo master policy)”**

**Regarding the question from the bank on the condo master policy:**

**There is NO answer for that question ...**

**there is no such thing as 100% total insurable value – unless one has a company specific “guaranteed replacement cost endorsement” and then I’d want to read it!**

**Losses are paid in accordance to whatever loss settlement provision is in the policy.**

**With such rising construction costs and rising costs of everything due to supply chain issues – I would not want to make that statement!**

**Consider the agent that typed THAT on a binder for a condo purchased for the Champlain Towers Condo in Surfside, FLA**



**Should I say...**

**Years ago ...Dan Foley, Esq., then VP  
Government Affairs, MAIA had  
written to the then Banking  
Commissioner about banks requiring  
wording regarding  
“guaranteed replacement cost  
Or  
100% full replacement  
On a binder**

**And whether such language is in  
violation of MGL 183 section 66**



*The Commonwealth of Massachusetts*

*Office of the Commissioner of Banks  
Leverett Saltonstall Building, Room 2004*

*100 Cambridge Street  
Boston, Massachusetts 02202*

MARGEO PAUL CELLUCCI  
GOVERNOR

THOMAS J. CURRY  
COMMISSIONER

December 29, 1998

Daniel J. Foley, Esq.  
Director of Government Affairs  
And General Counsel  
Massachusetts Association of Insurance Agents  
137 Pennsylvania Avenue  
Framingham, Massachusetts 01701

Dear Mr. Foley:

This letter is in response to your correspondence dated October 27 and December 4, 1998 to the Division of Banks (the "Division") in which you request an opinion relative to whether a bank or mortgage lender may require an insurance agent for a borrower to issue an insurance binder in connection with a mortgage transaction which states that the insurance coverage is "100% full replacement cost" or "guaranteed replacement cost."

In your letter you state that many insurance agents are being requested to issue insurance binders which state that the mortgaged premises is insured for guaranteed replacement cost. You believe that this places insurance agents in a potential malpractice situation because many insurance companies will not sell the type of coverage the lender is requiring. You state that you believe that a lender which requires an insurance binder to state "guaranteed replacement cost" or "100% full replacement cost" is in violation of Massachusetts General Laws chapter 183, section 66 and you request that the Division confirm your interpretation of the statute.

The Division has reviewed the language of said Section 66 in light of the facts raised in your letter. The statutory language clearly states that a bank, lending institution, mortgage company or any mortgagee doing business in the Commonwealth, when making a mortgage loan, "shall not require, as a condition of a mortgage or as a term of a mortgage deed, that the mortgagor purchase casualty insurance on property which is the subject of the mortgage in an amount in excess of the replacement cost of the buildings or appurtenances on the mortgaged premises." Based on the language of Section 66, it is the position of the Division that insurance binders issued by insurance agents in a mortgage transaction need only state that insurance coverage is for the replacement cost of the mortgaged premises. Said Section 66 does not include any other type of insurance and a lender may not require such coverage in excess of that authorized by the statute.

**Commissioner believes that based on the language of the law – an agent need only state that insurance is for the replacement cost of the mortgaged premises**



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**Dan wanted the commissioner to communicate this to all the banks ...but he said ...no**

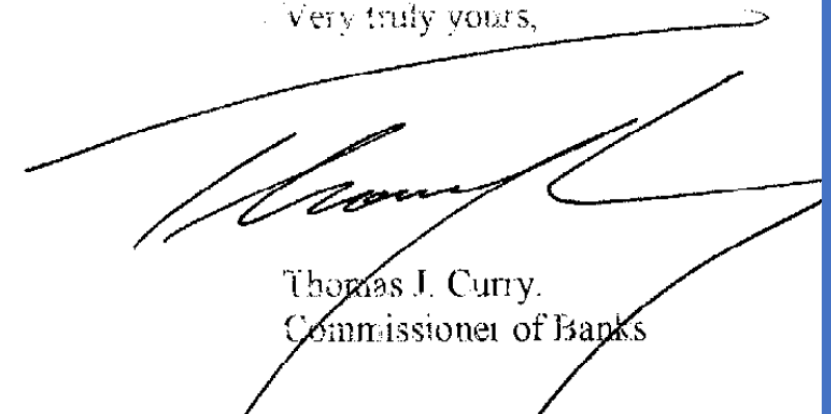
**Though it will be summarized in the “digest of selected opinions”**

In your letter of December 4, 1998, you raise the issue of certain banks requesting insurance in excess of the fair market value of the mortgaged property. You state that this appears to be a violation of Massachusetts General Laws chapter 175, section 95. Since chapter 175 is an insurance statute, the Division would defer to the Division of Insurance to address the interpretation of this issue.

Additionally, you requested that the Division distribute this letter to all banks and mortgage lenders. The Division is unable to accommodate your request. We encourage you to distribute it to your membership. This opinion, however, will be summarized in the next edition of the Digest of Selected Opinions which is sent to all banks and credit unions as well as mortgage lenders and brokers. The Digest may also be accessed through the Division of Bank's web site at <http://www.state.ma.us/dob/>

The conclusions reached in this letter are based solely on the facts presented. Fact patterns which vary from that presented may result in a different position statement by the Division.

Very truly yours,



Thomas J. Curry,  
Commissioner of Banks

## MGL 183:66

*183:66 Required insurance: limitation*

*Section 66. A bank, lending institution, mortgage company or any mortgagee doing business in the commonwealth, when making a mortgage loan, shall not require, as a condition of a mortgage or as a term of a mortgage deed, that the mortgagor purchase casualty insurance on property which is the subject of the mortgage in an amount in excess of the replacement cost of the buildings or appurtenances on the mortgaged premises.*

**Does ANYONE really know what 100% replacement cost really is?**

**Each carrier has their own information in their valuation software to create an ITV or RCE ... even if they all use the same “base” software such as corelogic ... the end result will always be different!!!**

**With current constructions cost increase ... I would never want to type something on a binder that can end up getting ME sued ...**

## Can the bank require a copy of the HO 05 02

The bank wants the binder to show 100% replacement cost and I know I can't. However, the policy will have the HO 05 02 Add'l Limits of Liability Endorsement which I explained provides "100 replacement cost".

The Mortgage Co is requesting in writing the HO 05 02 endorsement page, I sent it to them, and it does not state 100%.

In speaking with Mass Property, the endorsement on the policy is 100%, but it does not state that on the Dec page, and I am not allowed to write in 100% policy endorsement page, what are we supposed to tell the Mortgage Broker who wants this?



**First, I “assume” this is a re-finance on a current policy and you are endorsing the policy with the new mortgagee?**

**An agent has the ability to write a client with MPIUA, but that agent is NOT an “agent” or broker for MPIUA and therefore has NO RIGHT to issue a binder. One should be issuing the endorsement noting mortgagee change for the closing or if it’s a new policy then go the “immediate coverage” route**

**Having said that.....**

The company has the right to evaluate Coverage A – company software and carry 100%



If there IS a loss and Coverage A on Dec page isn't sufficient then the company will ENDORSE the policy to a new limit that will equal the current replacement cost of the building



That's as close to saying 100% replacement cost as bank is going to get

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## ADDITIONAL LIMITS OF LIABILITY FOR COVERAGES A, B, C AND D – MASSACHUSETTS

FORMS HO 00 02, HO 00 03 AND HO 00 05 ONLY

(APPLIES ONLY WHEN LOSS TO BUILDING INSURED UNDER COVERAGE A EXCEEDS THE COVERAGE A LIMIT OF LIABILITY SHOWN IN THE DECLARATIONS)

To the extent that coverage is provided, we agree to amend the present coverage amounts in accordance with the following provisions:

**A. If you have:**

1. Allowed us to adjust the Coverage A limit of liability and the premium in accordance with:
  - a. The property evaluations we make; and
  - b. Any increases in inflation; and
2. Notified us, within 30 days of completion, of any improvements, alterations or additions to the building insured under Coverage A which increase the replacement cost of the building by 5% or more;

the provisions of this endorsement will apply after a loss, provided you elect to repair or replace the damaged building.

**B. If there is a loss to the building insured under Coverage A that exceeds the Coverage A limit of liability shown in the Declarations:**

1. We will increase the Coverage A limit of liability to equal the current replacement cost of the building;
2. We will increase, by the same percentage applied to Coverage A, the limits of liability for Coverages B, C and D. However, we will do this only if the Coverage A limit of liability is increased under Paragraph B.1. as a result of Coverage A loss;
3. We will adjust the policy premium from the time of loss for the remainder of the policy term based on the increased limits of liability; and
4. For the purpose of settling that loss only, Section I Condition C. Loss Settlement Paragraph 2. is deleted from the policy forms and Paragraph 2.a. is deleted from Endorsement HO 01 20, Special Provisions – Massachusetts, and replaced by Paragraphs 2., 3. and 4. as follows:

2. Buildings covered under Coverage A or B at replacement cost without deduction for depreciation. We will pay replacement cost if the damaged building is repaired or replaced by you on the "residence premises" or some other location within the Commonwealth of Massachusetts within a reasonable time but not more than two years from the date of loss.

We will pay no more than the smallest of the following amounts:

- a. The replacement cost of that part of the building damaged with material of like kind and quality and for like use;
- b. The necessary amount actually spent to repair or replace the damaged building; or
- c. The limit of liability under this policy that applies to the building, increased in accordance with Paragraphs B.1. and B.2. of this endorsement.

If the building is rebuilt at a new premises, the cost described in a. is limited to the cost which would have been rebuilt at the original premises.

3. We will pay no more than the actual cash value of the damage until actual repair or replacement is complete.
4. You may disregard the replacement cost loss settlement provisions and make claim under this policy for loss to buildings on an actual cash value basis. You may then make claim for any additional liability on a replacement cost basis, provided you notify us of your intent to do so within 180 days after the date of loss.

All other provisions of this policy apply.



If Coverage A is increased ...then so Coverages B, C, D will ALSO be increased

This does NOT provide ordinance or law coverage – one should also consider HO 04 77 Increased ordinance or law

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## ADDITIONAL LIMITS OF LIABILITY FOR COVERAGES A, B, C AND D – MASSACHUSETTS

FORMS HO 00 02, HO 00 03 AND HO 00 05 ONLY

(APPLIES ONLY WHEN LOSS TO BUILDING INSURED UNDER COVERAGE A EXCEEDS THE COVERAGE A LIMIT OF LIABILITY SHOWN IN THE DECLARATIONS)

To the extent that coverage is provided, we agree to amend the present coverage amounts in accordance with the following provisions:

**A. If you have:**

1. Allowed us to adjust the Coverage **A** limit of liability and the premium in accordance with:
  - a. The property evaluations we make; and
  - b. Any increases in inflation; and
2. Notified us, within 30 days of completion, of any improvements, alterations or additions to the building insured under Coverage **A** which increase the replacement cost of the building by 5% or more;

the provisions of this endorsement will apply after a loss, provided you elect to repair or replace the damaged building.

**B. If there is a loss to the building insured under Coverage **A** that exceeds the Coverage **A** limit of liability shown in the Declarations:**

1. We will increase the Coverage **A** limit of liability to equal the current replacement cost of the building;
2. We will increase, by the same percentage applied to Coverage **A**, the limits of liability for Coverages **B**, **C** and **D**. However, we will do this only if the Coverage **A** limit of liability is increased under Paragraph **B.1.** as a result of Coverage **A** loss;
3. We will adjust the policy premium from the time of loss for the remainder of the policy term based on the increased limits of liability; and
4. For the purpose of settling that loss only, Section I Condition **C. Loss Settlement Paragraph 2.** is deleted from the policy forms and Paragraph **2.a.** is deleted from Endorsement **HO 01 20, Special Provisions – Massachusetts**, and replaced by Paragraphs **2.**, **3.** and **4.** as follows:

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- a. The replacement cost of that part of the building damaged with material of like kind and quality and for like use;
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4. You may disregard the replacement cost loss settlement provisions and make claim under this policy for loss to buildings on an actual cash value basis. You may then make claim for any additional liability on a replacement cost basis, provided you notify us of your intent to do so within 180 days after the date of loss.

All other provisions of this policy apply.

**It's not a bad thing to give a company a copy of the endorsement ....**

**It IS a bad thing to say coverage is 100% replacement cost if THOSE words  
are not in the policy or the endorsement ....  
and ...they are not....**

**The endorsement says what it will do ....just what DOES  
100% replacement cost ....mean to that bank?????**

**The bank wants a copy of the RCE ...should I send?...**

**We have had a few mortgage companies asking for a copy of the replacement cost estimator showing how we calculated the replacement cost. Is this legal for them to do? Shouldn't the binder or evidence be enough? Do you have any material stating we cannot send this?**

**Just wondering....we have been getting a lot of pressure from mortgage company demanding we provide our cost estimator. They want the customer to carry 100% replacement cost.**

**If not they want the cost estimator, or both.**

**We don't mind doing the estimator, however, they are not 100% accurate.**

**What can we do? They are really a pain!!!**

**The bank wants a copy of the RCE ...should I send?...**

**I'm sure the banks want proof of insurance. Most of them know that it is "illegal" in Massachusetts to ask for the loan value as the limit of insurance if it is more than the replacement value of the home per MGL 183:66 – which we've already seen.**

**I know of no law that doesn't allow them to ask. But just because they ask, doesn't mean you have to provide. As previously stated, I would NEVER want to state coverage is 100% replacement value as neither the company specific guaranteed replacement cost endorsements or the ISO alternatives state this.**

**We should NEVER state anything on a binder, evidence of coverage or certificate that cannot be found in the policy per both our MA certificate of insurance law (MGL 175L) created in 2015 and prudent following of sound agency E&O procedures.**

**The bank wants a copy of the RCE ...should I send?...**

**The RCE is “proprietary” information that belongs to the insurance company – not the insurance agent nor the insured so one should ask for permission before it is sent.**

**If an RCE is sent to the bank, whether an agent chose to ask the company for permission or not, it should be sent with some kind of disclaimer such as:**

**“building replacement value determined by questions regarding building construction and materials asked by company X proprietary software valuation program, answers given by client to those questions and the costs for such materials utilized in company X software valuation program for identified materials and construction methods”**

**or something like that to kind of say that it is “not my fault” if the RCE is inaccurate.**

## Why does client have to carry ...

Our agency has been receiving more and more requests recently from lenders that the dwelling coverage on an insured property needs to be enough to cover the loan.

We are in the understanding that per MA general laws, a lender cannot require an insured to insure the home or dwelling for more than the replacement cost of the dwelling.

Does this law pertain to both lenders that are based in MA and other states, or does the lender follow their specific state laws?

It would make sense that the law pertains to wherever said property location is, which in these many cases is MA.

**Are you seeing other agents experiencing lender requests as outlined above?**

**We even recently had a lender force our insured to increase their coverage amount, and the lender advised our insured that**  
**“your insurance guy is not covering the property close to the value in case of the loss”**

**In this instance the original replacement estimator was for \$650,000 and we had a dwelling limit of \$658,000 on the policy, so their statement was simply not true.**

**Good thing is our insured have been on our side when an instance like this arises. Starting to make our blood boil a little bit...**

**I'd remind the bank and the client ...**

**that a property policy ... personal or commercial does NOT cover land ...**

**under the HO policy ... it states this under Coverage A and Coverage B – you can even show them.**

#### **SECTION I – PROPERTY COVERAGES**

##### **A. Coverage A – Dwelling**

- 1.** We cover:
  - a.** The dwelling on the "residence premises" shown in the Declarations, including structures attached to the dwelling; and
  - b.** Materials and supplies located on or next to the "residence premises" used to construct, alter or repair the dwelling or other structures on the "residence premises".
- 2.** We do not cover land, including land on which the dwelling is located.

##### **B. Coverage B – Other Structures**

- 1.** We cover other structures on the "residence premises" set apart from the dwelling by clear space. This includes structures connected to the dwelling by only a fence, utility line, or similar connection.
- 2.** We do not cover:
  - a.** Land, including land on which the other structures are located;



## Why does client have to carry ...

I'd remind the bank that the MA law applies to MA loans – regardless of where the mortgage company, bank, etc., is located ...

the issue is they are doing business in MA on MA property ....

### *183:66 Required insurance: limitation*

*Section 66. A bank, lending institution, mortgage company or any mortgagee doing business in the commonwealth, when making a mortgage loan, shall not require, as a condition of a mortgage or as a term of a mortgage deed, that the mortgagor purchase casualty insurance on property which is the subject of the mortgage in an amount in excess of the replacement cost of the buildings or appurtenances on the mortgaged premises.*

## Why does client have to carry ...

So, my insured is refinancing his home with an approximate RCE of 1.5 million. His mortgage is only \$750,000.

The bank realizes that the mortgage is much less than the replacement value of the home, but they are demanding the client carry the RCE.

Can the bank do that?

The client isn't happy

If the bank says they won't issue a loan for an amount of insurance less than the replacement value of the property, that is their prerogative.

Technically, the “replacement cost law” can allow them this. It can work “both ways”

*183:66 Required insurance: limitation*

*Section 66. A bank, lending institution, mortgage company or any mortgagee doing business in the commonwealth, when making a mortgage loan, shall not require, as a condition of a mortgage or as a term of a mortgage deed, that the mortgagor purchase casualty insurance on property which is the subject of the mortgage in an amount in excess of the replacement cost of the buildings or appurtenances on the mortgaged premises.*

**If the bank wants to be able to sell the loan to Fannie Mae, then there are various obligations to fulfill.**

**One of them**

For a first-lien mortgage secured by a property on which an individually held insurance policy is maintained, Fannie Mae requires coverage equal to the lesser of the following:

- 100% of the insurable value of the improvements, as established by the property insurer; or
- the unpaid principal balance of the mortgage, as long as it at least equals the minimum amount—80% of the insurable value of the improvements—required to compensate for damage or loss on a replacement cost basis. If it does not, then coverage that does provide the minimum required amount must be obtained.

### Determining the Amount of Required Property Insurance

The following table describes how to calculate the amount of required property insurance coverage:

Step	Description
1	Compare the insurable value of the improvements as established by the property insurer to the unpaid principal balance (UPB) of the loan.
1A	If the insurable value of the improvements is less than the UPB, the insurable value is the amount of coverage required.
1B	If the UPB of the loan is less than the insurable value of the improvements, go to Step 2.
2	Calculate 80% of the insurable value of the improvements.
2A	If the result of this calculation is equal to or less than the UPB of the loan, the UPB is the amount of coverage required.
2B	If the result of this calculation is greater than the UPB of the loan, this calculated figure is the amount of coverage required.

**Note:** Loan amount is used at the time of loan origination and UPB is used during servicing of the loan.



## Why does client have to carry ...

Category	Property A	Property B	Property C
Insurable Value	\$90,000	\$100,000	\$100,000
UPB	\$95,000	\$ 90,000	\$ 75,000
80% Insurable Value —		\$ 80,000	\$ 80,000
Required Coverage	\$90,000	\$ 90,000	\$ 80,000
Calculation Method	Step 1A	Step 2A	Step 2B

<b>Home value</b>	<b>1,500,000</b>
<b>UPB</b>	<b>750,000</b>
<b>80% insurable value</b>	<b>1,200,000</b>
<b>Required coverage here</b>	<b>1,200,000</b>

**This is a first for me in my 33 years. I issued a binder for a new home purchase and the mortgage company is telling me they do not accept binders any longer. Have you heard of this?? I posted the response I was sent below.**

**Hi xxx,**

**Thank you for your quick response.**

**Our compliance team is no longer accepting temporary binders for closing.**

**Isn't there a law?**

**Or**

**We've had several instances as of late where lenders are demanding a dec page for closing vs. binder. I wasn't sure if you had done a write up regarding this ?**

There is a MA law the states a bank **MUST** accept a binder for at least 30 days

183:65 Acceptance of written memorandum as evidence of insurance

Section 65. Any mortgagee doing business in the commonwealth who makes in excess of five mortgage loans per year shall accept a written memorandum of a preliminary contract of insurance pursuant to section ninety-eight of chapter one hundred and seventy-five as evidence of insurance from any duly licensed agent, broker or insurance company; provided, however, that a contract for insurance for a term of not less than one year is issued within thirty days of said memorandum, or in the event of the cancellation of said memorandum, the mortgagee shall be provided with prior written notification thereof.<sup>98\*</sup>



## **Bank wants one year policy**

**My insured is purchasing a house, he currently resides in that his fiancé is selling to him.**

**The closing date is scheduled 6/6/22. I emailed the binder to loan officer (eff 6/6/22 to 7/6/22) but the loan officer is asking for a copy of the annual policy or full one year on the binder.**

**He wants me to change the expiration date on the binder from 7/6/22 to 6/6/23 or send copy of one year policy.**

**I have never issued a policy prior to closing date, especially when it's a new purchase.**

**Additionally, I never have the expiration date on the binder for more than 30 days. Below is the trail of communication**

**Bank wants one year policy**

**Sneaky devils ...**

**Per what we have previously discussed the bank MUST accept a binder for a minimum of 30 days ....**

**And ...they CAN'T demand a policy**

I am hoping you can assist me with a recent issue with a Mortgage company. We had a client purchasing a condo that needed coverage for inside the unit (studs in).

We sent the insured a quote with Company X. The clients' mortgage rep said the premium was too high and went to another company to obtain a quote. The quote he received is less premium and less coverage.

The client advised us that his mortgage rep said he has to take the cheaper policy with the other agent in order to get the mortgage. Is this legal for a mortgage company to do? Do we have any recourse?

**Bank is demanding THEIR policy for the closing –**

**THAT certainly is NOT true ...so I asked Dan Foley, Esq., MAIA's Legal Consultant ...just to make sure and he said:**

**The mortgage rep is violating the Bank's/Mortgage Company Regulation by requiring that your client take the cheaper insurance in order to get the mortgage.**

**Your recourse would be to file a complaint with the Division of Banks.**

**Dan**

**Daniel J Foley Jr, Esq., Consultant**

**Can you tell me what the difference is between the evidence of property form and the binder form?**

**I've only ever issued Insurance Binders.**

**We have a client who has purchased a home (has not closed yet) and the bank requested that I send Evidence of Property Insurance instead of an Insurance Binder.**

## ACORD has created a line-by-line discussion of completion for each form it creates

### ACORD 75 (2016/03) - Insurance Binder

ACORD 75, Insurance Binder, addresses both Personal Lines and Commercial Lines risks, although most ACORD Personal Lines applications contain a "built-in" binder.

Before issuing any binder, the following important considerations should be reviewed and considered carefully:

\* A Binder (Cover Note in some states) is a temporary insurance contract which provides coverage in advance of the issuance of an insurance policy.

**A binder is what is used when there is NOT a current policy in existence**

**There are (2) evidence of property forms**

**Evidence of Property Form 27 for personal lines and small commercial  
and Evidence of Commercial Property Form 28 for larger commercial risks**

**ACORD 27 (2016/03) - EVIDENCE OF PROPERTY INSURANCE**

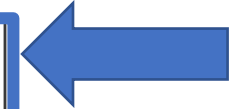
ACORD 27, Evidence of Property Insurance, provides a coverage statement for mortgagees and loss payees who provide mortgages or loans on residential property, personal property or small commercial properties, and are named in the policy.

ACORD 27, Evidence of Property Insurance, provides information about coverages currently in force on a policy.

Research reveals that information included on the form satisfies requirements of mortgagees in most situations. Discussions with various lenders indicate that inclusion of items such as coinsurance are not important with respect to Personal Lines policies or small commercial policies. The primary concern is that the amount of insurance is sufficient to cover the amount of the loan. Sufficient space is provided in the Coverage and Remarks sections of the form to include any additional information that may be required.

## The Form 27 ACORD instructions are a line by line “how to”

IDENTIFICATION SECTION	Company	Enter text: The insurer’s full legal company name(s) as found in the file copy of the policy. Use the actual name of the company within the group to which the policy has been issued. This is not the insurer’s group name or trade name.
IDENTIFICATION SECTION		Enter text: The first line of the insurer’s mailing address.
IDENTIFICATION SECTION		Enter text: The second line of the insurer’s mailing address.
IDENTIFICATION SECTION		Enter text: The city of the insurer’s mailing address.
IDENTIFICATION SECTION		Enter code: The state or province code of the insurer’s mailing address.
IDENTIFICATION SECTION		Enter code: The postal code of the insurer’s mailing address.
IDENTIFICATION SECTION	Insured	Enter text: The named insured(s) as it / they will appear on the policy declarations page.
IDENTIFICATION SECTION		Enter text: The named insured’s mailing address line one.
IDENTIFICATION SECTION		Enter text: The named insured’s mailing address line two.
IDENTIFICATION SECTION		Enter text: The named insured’s mailing address city name.
IDENTIFICATION SECTION		Enter code: The named insured’s mailing address state or province code.
IDENTIFICATION SECTION		Enter code: The named insured’s mailing address postal code.
IDENTIFICATION SECTION	Loan Number	Enter identifier: The loan number, account number or other controlling number that the additional interest may have assigned the insured.
IDENTIFICATION SECTION	Policy Number	Enter identifier: The identifier assigned by the insurer to the policy, or submission, being referenced exactly as it appears on the policy, including prefix and suffix symbols. If required for self-insurance, the self-insured license or contract number.
IDENTIFICATION SECTION	Effective Date	Enter date: The effective date of the policy. The date that the terms and conditions of the policy commence. (MM/DD/YYYY)



**Entering full legal company name as found in the “file copy of the policy”**



**The agent then said:**

**The request I received for the Evidence of Property, is for a new purchase. The policy is not in effect and won't be until the closing happens. I sent them a Binder and they were fine with that (even after the request for Evidence of Insurance.**

**This was the 1<sup>st</sup> time I had been asked for Evidence of Insurance)**

**So sending the Binder was the proper thing to do?**

**Yes ... a binder is what is utilized when there is no policy in force.**

**And ...in MA ...the bank MUST take the binder for a minimum of 30 days and that binder should then become a “policy”**

**I’m glad it wasn’t a “creative way around accepting the binder” ....**

**Yes ... a binder is what is utilized when there is no policy in force.**

**And ...in MA ...the bank MUST take the binder for a minimum of 30 days and that binder should then become a “policy”**

**I’m glad it wasn’t a “creative way around accepting the binder” ....**

**Another agent stated:**

**we were told that we should never issue binders for a refi because it's binding an additional limit on coverages rather than stating the current policy limits and that we should only issue evidence of insurance.**

**Is this true? We have been issuing binders on refi's for 38 years.**

**Interesting**

**I've never heard that ...but ACORD created the evidence of personal property form – 27 or 28**

**for use once there IS a policy.**

**A binder assumes there is no policy currently in place**

Evidence of property v. binder form

The binder discusses the type of form and limits ...no place for policy number as the assumption is ... there isn't one yet!

ACORD®INSURANCE BINDER

DATE (MM/DD/YYYY)

THIS BINDER IS A TEMPORARY INSURANCE CONTRACT, SUBJECT TO THE TERMS, CONDITIONS, COVERAGES, EXCLUSIONS, LIMITS AND ENDORSEMENTS OF THE POLICY.

AGENCY

COMPANY

BINDER #

PHONE (A/C, No, Ext):

FAX (A/C, No):

DATE EFFECTIVE

TIME

AM

PM

DATE EXPIRATION

TIME

12:01 AM

NOON

CODE:

SUB CODE:

THIS BINDER IS ISSUED TO EXTEND COVERAGE IN THE ABOVE NAMED COMPANY PER EXPIRING POLICY #:

AGENCY CUSTOMER ID:

DESCRIPTION OF OPERATIONS / VEHICLES / PROPERTY (Including Location)

INSURED AND MAILING ADDRESS

COVERAGES

LIMITS

TYPE OF INSURANCE	COVERAGE / FORMS	DEDUCTIBLE	COINS %	AMOUNT
PROPERTY CAUSES OF LOSS <input type="checkbox"/> BASIC <input type="checkbox"/> BROAD <input type="checkbox"/> SPEC				
COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR				
VEHICLE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY				
VEHICLE PHYSICAL DAMAGE DED <input type="checkbox"/> ALL VEHICLES <input type="checkbox"/> SCHEDULED VEHICLES				
GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				
EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				
WORKER'S COMPENSATION AND EMPLOYER'S LIABILITY				
SPECIAL CONDITIONS / OTHER COVERAGES				

NAME & ADDRESS

ADDITIONAL INSURED

LOSS PAYEE

MORTGAGEE

LENDER'S LOSS PAYABLE

LOAN #:

AUTHORIZED REPRESENTATIVE

Remember the binder is TWO pages ...

The top conditions ARE important  
The coverage is based on forms,  
conditions, in current use by  
company  
and  
the binder CAN be cancelled

AGENCY CUSTOMER ID:

CONDITIONS

This Company binds the kind(s) of insurance stipulated on page 1 of this form. The Insurance is subject to the terms, conditions and limitations of the policy(ies) in current use by the Company.

This binder may be cancelled by the Insured by surrender of this binder or by written notice to the Company stating when cancellation will be effective. This binder may be cancelled by the Company by notice to the Insured in accordance with the policy conditions. This binder is cancelled when replaced by a policy. If this binder is not replaced by a policy, the Company is entitled to charge a premium for the binder according to the Rules and Rates in use by the Company.

Applicable in Arizona

Binders are effective for no more than ninety (90) days.

Applicable in California

When this form is used to provide insurance in the amount of one million dollars (\$1,000,000) or more, the title of the form is changed from "Insurance Binder" to "Cover Note".

Applicable in Colorado

With respect to binders issued to renters of residential premises, home owners, condo unit owners and mobile home owners, the insurer has thirty (30) business days, commencing from the effective date of coverage, to evaluate the issuance of the insurance policy.

Applicable in Delaware

The mortgagee or Obligee of any mortgage or other instrument given for the purpose of creating a lien on real property shall accept as evidence of insurance a written binder issued by an authorized insurer or its agent if the binder includes or is accompanied by: the name and address of the borrower; the name and address of the lender as loss payee; a description of the insured real property; a provision that the binder may not be canceled within the term of the binder unless the lender and the insured borrower receive written notice of the cancellation at least ten (10) days prior to the cancellation; except in the case of a renewal of a policy subsequent to the closing of the loan, a paid receipt of the full amount of the applicable premium, and the amount of insurance coverage.

Chapter 21 Title 25 Paragraph 2119

Applicable in Florida

Except for Auto Insurance coverage, no notice of cancellation or nonrenewal of a binder is required unless the duration of the binder exceeds 60 days. For auto insurance, the insurer must give 5 days prior notice, unless the binder is replaced by a policy or another binder in the same company.

Applicable in Maryland

The insurer has 45 business days, commencing from the effective date of coverage to confirm eligibility for coverage under the insurance policy.

Applicable in Michigan

The policy may be cancelled at any time at the request of the insured.

Applicable in Montana

No binder shall be valid beyond the issuance of the policy with respect to which it was given or beyond 90 days from its effective date, whichever period is the shorter. If the policy has not been issued, a binder may be extended or renewed beyond such 90 days with the written approval of the insurer.

Applicable in Nevada

Any person who refuses to accept a binder which provides coverage of less than \$1,000,000.00 when proof is required: (A) Shall be fined not more than \$500.00, and (B) is liable to the party presenting the binder as proof of insurance for actual damages sustained therefrom.

Applicable in Oklahoma

All policies shall expire at 12:01 a.m. standard time on the expiration date stated in the policy.

Applicable in Oregon

Binders are effective for no more than ninety (90) days. A binder extension or renewal beyond such 90 days would require the written approval by the Director of the Department of Consumer and Business Services.

Applicable in the Virgin Islands

This binder is effective for only ninety (90) days. Within thirty (30) days of receipt of this binder, you should request an insurance policy or certificate (if applicable) from your agent and/or insurance company.

ACORD 75 (2016/03)

Page 2 of 2

Evidence of property v. binder form

Evidence shows place for policy number and policy inception and expiration dates

Coverage based on what current policy contains

Cancellation per policy terms

ACORD®

EVIDENCE OF PROPERTY INSURANCE

DATE (MM/DD/YYYY)

THIS EVIDENCE OF PROPERTY INSURANCE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE ADDITIONAL INTEREST NAMED BELOW. THIS EVIDENCE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS EVIDENCE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE ADDITIONAL INTEREST.

AGENCY

PHONE  
(A/C, No, Ext):

COMPANY

FAX  
(A/C, No):

E-MAIL  
ADDRESS:

CODE:

SUB CODE:

AGENCY  
CUSTOMER ID #:

INSURED

LOAN NUMBER

POLICY NUMBER

EFFECTIVE DATE

EXPIRATION DATE

CONTINUED UNTIL  
TERMINATED IF CHECKED

THIS REPLACES PRIOR EVIDENCE DATED:

PROPERTY INFORMATION

LOCATION/DESCRIPTION

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS EVIDENCE OF PROPERTY INSURANCE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

COVERAGE INFORMATION

PERILS INSURED

BASIC

BROAD

SPECIAL

COVERAGE / PERILS / FORMS

AMOUNT OF INSURANCE

DEDUCTIBLE

REMARKS (Including Special Conditions)

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

ADDITIONAL INTEREST

NAME AND ADDRESS

ADDITIONAL INSURED

LOAN #

AUTHORIZED REPRESENTATIVE

LENDER'S LOSS PAYABLE

LOSS PAYEE

ACORD 27 (2016/03)

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**I have a question on binding authority for auto's.**

**Carvana has asked for a 90-day binder date from the date of drop off.**

**If I am remembering correctly from my licensing classes, agents only have 30-day binding authority.**

**Can we produce a binder for 90 days as they are requesting or is 30 days all we are allowed to do?**



## When is the insured “taking title”?

The MAP only recognizes vehicles that are owned by the insured ... taking title or permanent lease

If it is an ADDITIONAL one ...  
in addition to what is currently on the dec page ...  
the definition of your auto discusses 7 days from when TOOK TITLE

**Your Auto** – means:

- A. The vehicle(s) described on the Coverage Selections Page.
- B. Any auto while used as a temporary substitute for the described auto with the consent of the owner while the described auto is out of normal use because of a breakdown, repair, servicing, loss, or destruction. This does not include a motorcycle. However, if a motorcycle is the vehicle described on the Coverage Selections Page, then a motorcycle used as a temporary substitute is included in the term **your auto**. However **your auto** does not include a substitute vehicle owned by you.
- C. A private passenger auto, **trailer**, motorcycle, pick-up truck, van or similar vehicle, to which you take title or lease as a permanent re- placement for a described auto or as an additional auto. **We provide coverage for an additional auto only if you ask us to insure it within seven days after you take title or the effective date of the lease.**

If a replacement or additional auto is a pick-up truck, van or similar vehicle, it must not be used for the delivery or transportation of goods or materials unless such use is incidental to your business of installing, maintaining or repairing furnishings or equipment.

For Parts 1, 2, 3, 4, 5 and 6 the term **your auto** also includes any **trailer** not described on the Coverage Selections Page as covered under those Parts.

**If it is a replacement ...  
not in “their minds” but in reality -  
when the insured loses possession  
(sells -turns title over) to a vehicle  
that is currently ON the  
declarations page**

**the “automatic termination”  
provision states that there could be  
coverage for a maximum of 30 days  
from when LOSE possession of the  
“known” vehicle ...  
not when “take title” to the new  
one**

**Automatic  
Termination.**

Massachusetts law provides that your policy automatically terminates and a Notice of Cancellation will not be sent to you when:

1. You return the registration plates for **your auto** to the Registry of Motor Vehicles.
2. You purchase a new policy with another company covering **your auto** and a new Certificate of Insurance is filed with the Registry of Motor Vehicles.
3. You transfer title to **your auto**, and you do not register another auto. In this case, the policy will terminate 30 days from the date of transfer of title.

However, if more than one auto is described on the Coverage Selections Page, the termination of coverage applies only to the auto involved in any of the situations described above.

**However, if more than one auto is described on the Coverage Selections Page, the termination of coverage applies only to the auto involved in any of the situations described above.**

**Beyond what is written into policy ....  
You would need insurance company permission (technically you don't necessarily have 30 days ...  
and sure as heck ...  
not 90 in policy language)**

**Automatic Termination.**

Massachusetts law provides that your policy automatically terminates and a Notice of Cancellation will not be sent to you when:

1. You return the registration plates for **your auto** to the Registry of Motor Vehicles.
2. You purchase a new policy with another company covering **your auto** and a new Certificate of Insurance is filed with the Registry of Motor Vehicles.
3. You transfer title to **your auto**, and you do not register another auto. In this case, the policy will terminate 30 days from the date of transfer of title.

However, if more than one auto is described on the Coverage Selections Page, the termination of coverage applies only to the auto involved in any of the situations described above.

**In years past we have suggested to banks you just state “coverage becomes effective upon transfer of title” ...because then it is “nebulous”**

**Without reading your agent/company contract ...  
all you can count on is what is in the policy ..  
or get an underwriter’s permission – and then if it isn’t in writing ...  
do an email to recap the “permission”**

**Never heard of Carvana wanting 90-day binder ...thought  
they gave a 7 day “free trial”**

## When is the binder effective date?

An insured is refinancing, and the new mortgage lender is asking for a homeowner's binder with the effective dates of the binder to show the expected closing date with expiration date to be 30 days later.

I always had the understanding that the effective date of the binder is the date of the binder request and with expiration date to be 30 days later. (I always enter in the actual policy effective dates in the description box).

The mortgage lender may have to reach out for another binder if it expires and the closing date changes to a later date.

Is it ok to send a binder with a future effective date, or am I correct in issuing with just today's date as the eff date?

### **When is the binder effective date?**

**Might as well go to the source – the ACORD how to complete instructions**

**You are right about putting the date that you are completing it – makes sense**

**But binder effective date does NOT have to be the same date.**

**It states:**

**The date on which the terms and conditions of the binder commenced. This date normally coincides with the effective date of the policy or of an endorsement to the policy.**

**When is the binder effective date?**



# INSURANCE BINDER



DATE (MM/DD/YYYY)

THIS BINDER IS A TEMPORARY INSURANCE CONTRACT, SUBJECT TO THE CONDITIONS SHOWN ON PAGE 2 OF THIS FORM.

AGENCY

COMPANY

BINDER #

DATE EFFECTIVE

TIME

DATE EXPIRATION

TIME

AM

12:01 AM

PM

NOON

PHONE  
(A/C, No, Ext):

FAX  
(A/C, No):

CODE:

SUB CODE:

AGENCY  
CUSTOMER ID:

INSURED AND MAILING ADDRESS

☐ THIS BINDER IS ISSUED TO EXTEND COVERAGE IN THE ABOVE NAMED COMPANY  
PER EXPIRING POLICY #:

DESCRIPTION OF OPERATIONS / VEHICLES / PROPERTY (Including Location)

## Form Page 1

Section Name	Field Name	Description
IDENTIFICATION SECTION	Date	Enter date: The date on which the form is completed. (MM/DD/YYYY)

IDENTIFICATION SECTION	Binder #	Enter identifier: The number assigned to uniquely identify the binder.
IDENTIFICATION SECTION	Effective Date	Enter date: The date on which the terms and conditions of the binder commenced. This date normally coincides with the effective date of the policy or of an endorsement to the policy.
IDENTIFICATION SECTION	Effective Time	Enter time: The time of day on the effective date in which the terms and conditions of the binder will commence.
IDENTIFICATION SECTION	AM	Check the box (if applicable): Indicates the binder effective time is in the morning (AM).
IDENTIFICATION SECTION	PM	Check the box (if applicable): Indicates the binder effective time is in the afternoon or evening (PM).
IDENTIFICATION SECTION	Expiration Date	Enter date: The date on which the terms and conditions of the policy will or have expired. Certain state laws limit the terms of a binder, so this date may not coincide with the policy expiration date.
IDENTIFICATION SECTION	12:01 AM	Check the box (if applicable): Indicates the binder expires at 12:01 AM on the expiration date.
IDENTIFICATION SECTION	Noon	Check the box (if applicable): Indicates the binder expires at 12:00 noon on the expiration date.

## **When is the binder effective date?**

**So you do it today (10/30) but the closing is 11/30 ...**

**THAT is the date the “terms and conditions of the binder commence” ...  
so that is the effective date ...  
and 30 days later for binder expiration date**

**I would always mention in the email that you are sending it with a FUTURE effective date ...to let you know if dates change ...**

**as well as the client ...too**



**We are doing some refresher topics in the Service Center and binders came up in discussion.**

**Do you have any material or examples on standard terminology for binders?**

**For example, when mortgage representatives push back looking to confirm Wind and Hail coverage, additional % amount of Coverage A and/or Guarantee Replacement Cost (when the customer doesn't have the endorsement).**

**We've already discussed the "guaranteed replacement cost" discussion**

**The wind and hail issue I've only been asked once.**

**It was a bank that was used to the South Atlantic Coastal area, where certain states have "fairplan like" wind pools and allow an property policy to exclude wind and hail because it is available through the wind pool.**

**I told agent to send a copy of the form and show there are NO such exclusions on personal lines in MA**

**How do i answer this question from a lender in regards to a master policy?**

**"If there is no agreed amount endorsement or coinsurance waiver, is the current coverage limit written to 100% of the total insurable value (TIV)"?**

## **Commercial condo issues**

**I “assume” you are the commercial agent for the master policy.**

**There is NO answer for that question ...**

**there is no such thing as 100% total insurable value – unless one has a company specific “guaranteed replacement cost endorsement” and then I’d want to read it.**

**The losses will be paid in accordance to whatever loss settlement provision is in the policy ... period**

**No guarantees in life other than horseshoes and hand grenades – unless a guaranteed RC endorsement ...**

**and THEN ...**

**one has to read to see if it also considers “ordinance or law issues” which it probably doesn’t and requires another endorsement.**

**With rising inflation, rising construction costs and rising costs of everything due to supply chain issues ... I would NOT say anything like what that bank wants ..**

**If you don't state "100% value" on the certificate that you are issuing for that unitowner purchase ...then it will just end up in the Personal lines HO-6 lap ...**

**It is what it is...Just think "surfside condo collapse" when you feel a desire to type such foolishness**

Here's the latest thing I've had a mortgage company ask for:

“Our condo underwriter reviewed the H06 binder and is looking for you to confirm (email acceptable) that the coverage provided will extend to any/all per unit deductible on the master insurance policy.

Leaving the borrower only responsible for the HO6's per occ deductible in any type of event. Can you confirm this for us?”

I offered to share policy forms for the underwriter's review but declined to promise anything else.

I enjoyed their liberal use of terms like any and all.

**I like the “share forms” idea of the agent.**

**NO SUCH foolishness should be “confirmed” to the bank ...unless you are the insurance company claims department**

**The next day the agent emailed me ....**

**This morning’s request from the same lender:**

**“Our condo underwriter is asking for you to confirm that the dwelling coverage is for all perils. Can you confirm for us?”**

**Just what ARE “all perils” ...was my answer 😊**

**We met with a client who is a bank yesterday.**

**They told us they often ask to be listed on PAP and BAP as lienholder and for some reason often end up listed as loss payee. We have always advised them to get lienholder.**

**Is there something I am missing or unaware of?**

**Can you think of any reason why any carrier could not list as lienholder?**

**Or why an agent would provide a binder as a loss payee?**



## The MAP states:

**13. Secured Lenders.** When your Coverage Selections Page shows that a lender has a secured interest in **your auto**, we will make payments under Collision, Limited Collision and Comprehensive (Parts 7, 8 and 9) according to the legal interests of each party.

The secured lender's right of payment will not be affected by your acts or neglect. However we will not pay if the loss of or damage to **your auto** is the result of conversion, embezzlement, or secretion by you or any **household member**. Also, we will not pay the secured lender if the loss of or damage to **your auto** is the result of arson, theft or any other means of disposal committed by you or at your direction.

When we pay any secured lender we shall, to the extent of our payment have the right to exercise any of the secured lender's legal rights of recovery. If you do not file a proof of loss as provided in this policy, the secured lender must do so within 30 days after the loss or damage becomes known to the secured lender.

In order for us to cancel the rights of any secured lender shown on the Coverage Selections Page, a notice of cancellation must be sent to the secured lender as provided in this policy.

**Of course – neither the term ...loss payee or lienholder!**

The AIB MAP Dec page states:

ITEM 6	Secured Lender/Lessor - Additional Insured, if Rented Auto

Secured lender

## **The MM 99 11 MA amendatory endorsement to the BAP states:**

### **4. Loss Payee**

When the Declarations shows that a loss payee has a secured interest in a covered “auto,” we will make payments under Physical Damage Coverage according to the legal interest of each party.

The loss payee’s right of payment will not be invalidated by your acts or neglect except that we will not pay if the “loss” to a covered “auto” is the result of conversion, embezzlement, or secretion by you or any household member. Also, we will not pay the loss payee if the “loss” to a covered “auto” is the result of arson, theft, or any other means of disposal committed by you or at your direction.

When we pay any loss payee we shall, to the extent of our payment, have the right to exercise any of the loss payee’s legal rights of recovery. If you do not file a proof of loss as provided in this policy, the loss payee must do so within 30 days after the “loss” becomes known to the loss payee.

In order for us to cancel the rights of any loss payee shown on the Declarations, a notice of cancellation must be sent to the loss payee as provided in this policy.

Lienholder v. loss payee

Loss payee term  
used in  
amendatory  
endorsement  
but BAP Dec  
pages not even  
mention

ITEM THREE

Schedule Of Covered Autos You Own

Covered Auto Number:

Town And State Where The Covered Auto Will Be Principally Garaged

Description (Year, Model, Trade Name, Body Type, Serial Number (s), Vehicle Identification Number (VIN))

Purchased:

Original Cost New

\$

Actual Cost New (N) Or Used (U)

\$

Classification

Radius Of Operation	Business Use s=service r=retail c=commercial	Size GVW, GCW Or Vehicle Seating Capacity	Age Group	Primary Rating Factor		Secondary Rating Factor	Code
				Liab.	Phy. Dam.		

Except For Towing, All Physical Damage Loss Is Payable To You And The Loss Payee Named To The Right According To Their Interests In The Auto At the Time Of The Loss.

Coverages – Premiums, Limits And Deductibles

(Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding Item Two column applies instead.)

Coverages	Limit	Premium
Compulsory Bodily Injury	\$ 20,000 each person	\$
	\$ 40,000 each person	
Personal Injury Protection	\$ 8,000 each person	\$

LIABILITY INSURANCE

Optional Bodily Injury	\$ each person	\$
	\$ each accident	
Property Damage (Compulsory Limit \$5,000)	\$ each accident	\$
Covered Auto Liability	\$ each accident	\$
Medical Payments	\$ each insured	\$
Uninsured Motorists (Compulsory Limits - \$20,000/40,000)	\$ each person	\$
	\$ each accident	

## Lienholder v. loss payee

**Loss payee term  
used in  
amendatory  
endorsement  
but BAP Dec  
pages not even  
mention**

Coverages	Limit	Premium
Underinsured Motor-ists	\$ each person \$ each accident	\$
Physical Damage Comprehensive Coverage	Actual Cash Value Or Cost Of Repair. Whichever Is Less Minus \$ Ded. For Each Covered Auto.	\$
Physical Damage Specified Causes Of Loss Coverage	Actual Cash Value Or Cost Of Repair, Whichever Is Less, Minus \$ Ded. For Each Covered Auto.	\$
Physical Damage Collision Coverage	Actual Cash Value Or Cost Of Repair. Whichever Is Less, Minus \$ Ded. For Each Covered Auto.	\$
Physical Damage Limited Collision Coverage	Actual Cash Value or Cost of Repair. Whichever Is Less Minus \$ Ded. For Each Covered Auto.	
Physical Damage Towing And Labor	\$ For Each Disablement Of A Private Passenger "Auto".	

**So .. the auto policies don't use the term "lienholder" ...  
personal auto ...secured lender ...  
BAP ...loss payee**

Thank you for attending...



**They want what?  
Making the bank happy**

If you have any questions, please email  
[imorrill@massagent.com](mailto:imorrill@massagent.com)