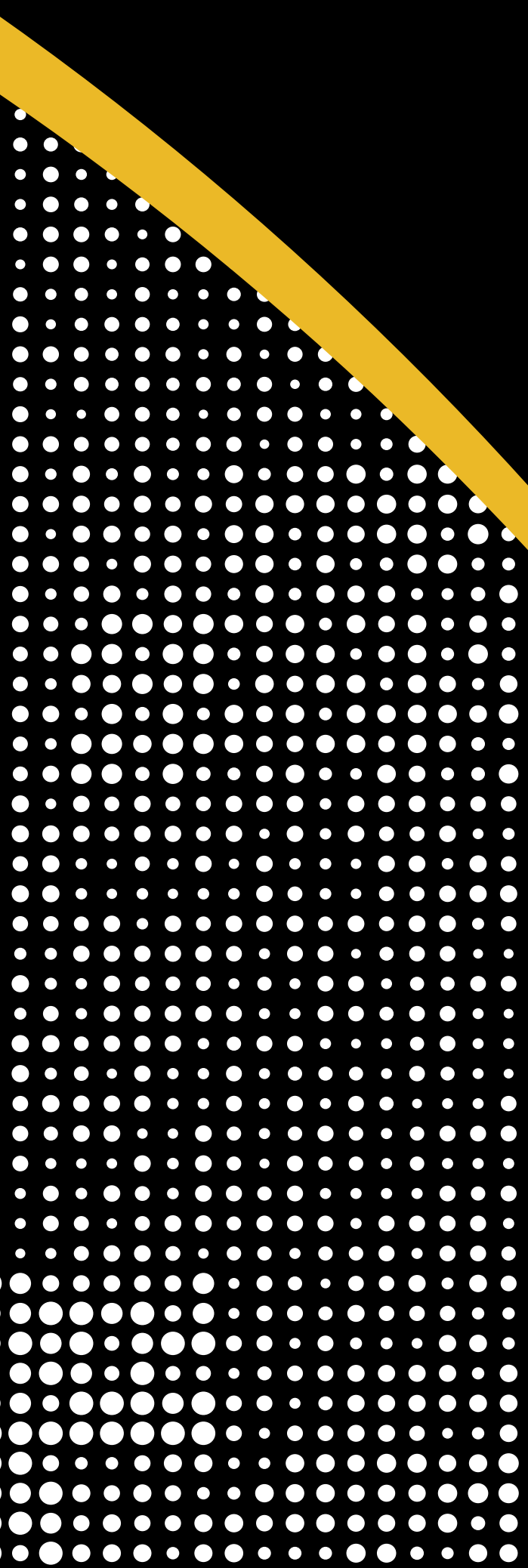


# Recent Changes to the ACORD Form – Cause and Effect



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By Deborah A. Tauro, ARM

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## Introduction

The recent changes ACORD has made to their Certificate forms have caused quite a stir in the Risk Management community. There has been a lot of discussion and questions regarding the use of or even the validity of Certificates of Insurance. Are they worth the paper they are printed on? Do they really convey rights of coverage? How can we use the current forms to satisfy our Lenders, mortgage holders, or contracted parties? What were the changes that are causing such a stir – why did they occur? What can we do about it?

As you can see, the questions can go on and on. In this paper, we hope to answer some of these questions and provide some general guidance on using Certificates of Insurance. We have included a definitions section at the end for reference as well as an appendix with the most current of these modified forms as of the drafting of this paper.

## What is the purpose of a Certificate?

A Certificate of Insurance is merely evidence of the policies issued and in force at the time the Certificate of Insurance is issued. It does not provide assurance that the certificate holder will be notified if the policy is modified, expires, is extended or cancels. As governed by insurance law in all states, a Certificate of Insurance cannot extend or alter coverage provided in an insurance policy in any way. Certificates of Insurance can be viewed as a summarized, informational reflection of an insurance policy(s) and it conveys no rights or privileges. It is a “snapshot” in time.

The issuance of Certificates of Insurance and the information they contain is governed by state insurance regulations. State insurance regulations require that policy rights and conditions can only be extended through the policies and binders – no rights are extended or conferred by the issuance of a Certificate of Insurance. A Certificate of Insurance which appears to amend, extend, or alter policy coverage should be considered a violation of applicable insurance regulations in most states.

Keeping these facts in mind, when naming an additional insured simply because the certificate holder requests it or it is contractually required, the certificate itself is meaningless without the actual policy containing appropriate additional insured language or it is endorsed to allow blanket additions when required by contract (“blanket additional insured endorsement”) or it contains an individualized additional insured endorsement naming the specific certificate holder as an additional insured.

## Significant Changes to the approved form.

The most significant changes to the form(s) affected two areas on the Certificate:

1. In 2003, the “disclaimer” text found near the top of the certificates was updated and removed the wording “conveys all the rights and privileges under the policy”. This was done to bring Certificates into conformance with State Insurance Regulations addressing the implication that the Certificate was more than an informational document.
2. In 2009, the cancellation text found near the bottom of the certificate was also modified:
  - a. The Cancellation provision which provided an “endeavor to” wording for notification to certificate holders was removed and replaced with wording that indicates that cancellation notification would be provided as stated within the policy.
  - b. “...endeavor to mail \_\_\_\_ days’ written notice to the certificate holder...” was removed and replaced with “Should any of the above described policies be cancelled before the expiration date thereof, notice will be delivered in accordance with the policy provisions.”

The changes to the cancellation language were initiated by both ACORD industry working group decision and by changes in State Insurance Regulations in South Dakota where several insurance bulletins were issued in 2009. The statute specifies that an insurance agent may not issue a Certificate of Insurance that does not accurately represent the terms or conditions of the policy without authority from the insurer to alter the terms or conditions of the policy. Any requests to include a notice provision that binds the carrier when such provision is not contained in the policy being certified would not be in compliance with South Dakota law SDCL 58-11-29.

Based on these regulations and the work done by ACORD’s Certificates Working Group in the summer of 2009, the following changes were made relative to the cancellation wording and voted on by ACORD members, which include both producers and carriers:

- The fill-in field for the number of days should be removed because the amount of advance notice required is governed by the policy and the carrier’s own practices. Many policies contain multiple cancellation notice provisions, i.e. 10 days for cancellation due to non-payment and 30, 60, or 90 days for other reasons. Therefore, one fill-in box would not be sufficient to fully represent the provisions in the policy as well as regulatory requirements.
- The word “endeavor” should be removed. Most policy language does not use the phrase “endeavor to” and only the policy itself can obligate the insurer to provide notice of cancellation. By including this language, the certificate implies that it affords these rights under the policy provisions, but unless the policy is endorsed to specifically notify the certificate holder – they are not. The ACORD working group also expressed a concern that this wording presented broker E&O exposure if the certificate wording differed from the policy language. Standard policy notice provisions are generally as follows:
  - ◆ Only the “first-named insured” on most types of liability policies will be notified of cancellation or intent not to renew. The previous certificate wording implied that anyone named as a certificate holder would be provided notice of cancellation, which was not the case.
  - ◆ Additional insureds under liability policies will receive no notice whatsoever.
  - ◆ Mortgage holders and loss payees on property policies may be notified 10 days before the insurer cancels for nonpayment, 30 days before it cancels for any other reason, and 10 days before policy non-renews, as long as the policy itself endorses these timelines.
  - ◆ No notification to the certificate holder is made if the first-named insured cancels or non-renews the policy.



## Additional items to consider

Asking your broker to issue an outdated ACORD form or altering the terms on the currently approved form is a dangerous practice. Brokers are licensed to issue certificates only on the currently approved ACORD forms and outdated forms may not comply with current regulatory requirements (ACORD'S licensing agreement allows prior editions of the superseded forms to be used for one year from the time the new forms are introduced). Also, most agency/company agreements prohibit the issuance of a modified certificate without the express consent of the insurer.

The extension for the state of South Dakota, allowing the use of prior forms, expired January 15, 2010. Using anything other than the current form after that date is against regulation and license requirements in that state.

Certificate of Insurance references to a contract or contract language does not afford or amend any policy coverage. The Certificate can only reference language contained in the policy. Current forms may not be modified to replicate older versions. As of now, ACORD certificates are filed with and approved by state insurance departments in eleven states—modification could be in violation of state regulatory laws and could be considered a Class 1 misdemeanor offense.

Most of this paper has been focused on limitations regarding the use of Certificates of Insurance; there are, however, benefits that they provide and good reasons to adjust our practices to continue to use this resource. Some of these benefits include:

- A Certificate of Insurance makes it easier to identify insurers, policy numbers, etc., in the event of a claim or other insurance-related issues.
- Obtaining a Certificate of Insurance reinforces commitment to the contract requirements. Case law indicates that not demanding a Certificate can lead a court to conclude that the upstream party has waived the downstream party's obligations to procure the related insurance.
- Issuance of a Certificate of Insurance is sometimes held to establish long-arm jurisdiction in the forum state. This means that if a Certificate is issued by an out-of-state broker or insurer, the likelihood the holder could file suit against them in local courts, rather than out-of-state courts, is increased.

## How can Risk Managers cope and be in compliance?

One of the issues that has arisen due to these changes is the delay of construction jobs due to certificate language issues. The Certificate language is no longer in line with the language required in most construction contracts. Some of the corrective options risk managers can consider include:

- Modify new contracts to contractually require the opposite contract party to directly provide notice of cancellation or material coverage changes. You will likely not receive it from the broker or carrier unless the opposite party has their policy specifically endorsed to do so. If the opposite contract party does request that their insurer endorse the policy with cancellation notification in your favor, they may meet resistance or incur additional charges which may, in turn, become a cost to your project.
- An easier solution would be to contractually require that the opposite contract party fax a copy of the carrier notice of changes in policy conditions as soon as it is received.
- If requesting additional insured status, always require that a copy of the change endorsement be produced along with the certificate.
- It is always good practice to have some type of monitoring system in place that checks what is required in all contracts against current policy language, especially at renewal when negotiating new coverage terms.
- Consider asking your insurance company to endorse your policy(s) to provide for cancellation notice to select other parties.
- Create your own internal or contract service notification system.
- Notify the requesting party that cancellation notice will be provided to the named insured per the policy terms and conditions. "This can be added to the description of operations on the certificate."

Another issue that has arisen is the insured's difficulties resulting from the fact that contractual language and obligations do not align with the language presented on the Certificate of Insurance. This issue basically pertains to additional insured status or cancellation wording. Some options or solutions to be considered include:

- Include cancellation language that corresponds to what is in your policy in the description of operations field on the certificate itself or on the ACORD 101 Additional Remarks schedule. Ensure that the language used is the same language afforded in the underlying policy with **no deviations**.

- Request updated certificates every 30 days from downstream parties. This would involve an increase in the administrative function but would provide notice of changes or cancellations.
- Request updated certificates whenever a downstream party is due to receive payment. Have it included with invoice backup, similar to the current processes with the W-9 form. This ensures coverage is in place whenever payment for services is made.

There are many more issues arising on the heels of these changes, but a significant one involves lenders who are arguing that they are not properly protected by the revised language. A few ideas to help keep peace with the lender include:

- Where possible have your lender accept the new form by attaching a copy of the pertinent policy language, thus evidencing that all contractual requirements have been met with the policy issued.
- Ensure that current loan and mortgage agreements reflect insurance requirements that are currently available in the marketplace. Too often we find ourselves out of compliance with an agreement that requires a specific coverage that is either no longer available or not structured as the contract originally intended.
- For lenders that have a difficult time accepting the new ACORD 27 or 28 form, the ACORD 75 should be an acceptable option or a Lenders Loss Payable endorsement.

Some out of the ordinary solutions would include the use of a manuscript endorsement to detail all coverages required in the contract and specific to the upstream party or a Memorandum of Insurance (MOI). Some drawbacks of the MOI option include:

- When the MOI expires, it is the responsibility of the upstream party to check and determine the renewed version is still in compliance. It is not mailed upon renewal as is the Certificate of Insurance.
- It is not issued to a specific certificate holder so it does not show any additional insured status to the upstream party.
- There may be restrictions on the broker's website as to who can view the MOI. If the downstream party changes brokers or the site goes down, you will lose access and evidence of coverage unless you printed or stored MOI copies.

## ACORD 24 – Certificate of Property Insurance

There is an important distinction between this form and ACORD 27 – Evidence of Property Insurance or ACORD 28 – Evidence of Commercial Property Insurance. If the receiver of the form wants to verify that property coverage exists but has no direct interest in the policy, use form 24. However, if the receiver of the form has a verifiable insurable interest in the policy, such as a mortgagee or lender, use form 27. When the property is insured under a large limit commercial lines policy and the lender requires specific detailed coverage information, use form 28.

The Certificate of Property Insurance is used for most property situations in which the insured has requested property insurance certification to a third party. The form should be issued only in compliance with company instructions. ACORD recommends the Certificate NOT be used in the following situations:

- To satisfy a mortgagee or lien holder.
- To provide information to the owner of a leased motor vehicle or the lender about both liability and physical damage coverages applying to the vehicle (use ACORD 23).
- To quote wording from a contract.
- To waive rights.
- To attach to an endorsement.
- To quote any wording which amends a policy unless the policy itself has been amended.

In many states the text of the ACORD form cannot be modified, unless it is filed for approval by the respective state Department of Insurance (IA, KS, KY, LA, MN, MO, NC, ND, OK, UT, and WI). ACORD compliance staff expects more states to add filing requirements during 2011. Virtually all states will not allow any change in a certificate that would attempt to modify a policy unless the revised certificate is filed and approved.

## ACORD 25 – Certificate of Liability Insurance

The opening statement of this form is “issued as a matter of information only, and confers no rights upon the certificate holder. This certificate does not affirmatively or negatively amend, extend, or alter coverage afforded by policies.”

If the receiver of the form wants to verify that liability coverage exists and has no direct interest in the policy, use the certificate. However, if the receiver of the form has a verifiable interest in the policy, such as an additional insured, the liability policy must be amended by endorsement to provide the appropriate coverage for the interested party prior to issuing a Certificate of Insurance (since the certificate confers no rights upon the holder and does not amend the policy)

The Certificate of Liability Insurance is used for most casualty situations in which the insured has requested certification to a third party of issued casualty coverage. The uses of the Certificate can include large and small contracting or manufacturing risks, lessor / lease agreements, or other areas of liability certification. The ACORD Certificate should NOT be used in the following situations:

- To provide information to the owner of a leased motor vehicle or the lender about both liability and physical damage coverage applying to the vehicle (use ACORD 23)
- To quote wording from a contract
- To waive rights
- To attach to an endorsement
- To quote any wording which amends a policy unless the policy itself has been amended

## ACORD 27 – Evidence of Property Insurance

This form 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. Sufficient space is provided in the Coverage and Remarks sections of the form to include any additional information that may be required.

Use this form to provide information to provide information to mortgagees and loss payees who provide mortgages or loans on real property or personal property insured under a Commercial Lines policy and additional detail is required by the mortgagee or loss payee.

In many states, the text of the ACORD form cannot be modified, unless it is filed for approval by the respective state Department of Insurance (IA, KS, KY, LA, MN, MO, NC, ND, OK, UT, and WI). ACORD compliance staff expects more states to add filing requirements during 2011. Virtually all states will not allow any change in a certificate that would attempt to modify a policy unless the revised certificate is filed and approved.

## ACORD 28 – Evidence of Commercial Property Insurance

This form provides a coverage statement for mortgagees, additional insureds, and loss payees who provide mortgages or loans on real property or business personal property insured under a Commercial Lines Policy and are named in the policy.

Coverage on large commercial property can have many variables. Coverage, coinsurance percentages, deductibles and other details can vary widely and are important considerations to mortgagees and other lenders. Terrorism Risk Insurance Act (TRIA) and the recent increase in exposure to mold and fungus have resulted in a greater need to know more about the specific terms of the insurance contract. This form provides check boxes and pre-printed text to communicate important insurance details to minimize follow-up conversations and correspondence with respect to information required in most cases involving large commercial real estate.

In many states, the text of the ACORD form cannot be modified, unless it is filed for approval by the respective state Department of Insurance (IA, KS, KY, LA, MN, MO, NC, ND, OK, UT, and WI). ACORD compliance staff expects more states to add filing requirements during 2011. Virtually all states will not allow any change in a certificate that would attempt to modify a policy unless the revised certificate is filed and approved.





# Conclusion

Risk Managers should endeavor to take an active part in the construction and execution of company contracts and commitments, especially when it applies to insurance requirements and provisions. Cleaning up old contracts to comply with current regulations will be an invaluable task, provided they are worded in a manner that does not bind the insurance carrier to any terms and coverages which may not later be available in the market. Relying on Certificates as informational documents only, as they are intended, and insisting on obtaining endorsements or documentation in the policy will be the new norm. Once we have reestablished our processes to rely on the issued policies, and less on the Certificates, future changes and updates should become less painful.

## Definitions

**ACORD** – Association for Cooperative Operations Research and Development – global, nonprofit organization which serves the insurance industry in the creation and filing of standardized forms.

**Certificate of Insurance** – document evidencing fact that an insurance policy has been written and includes a statement of the limits, effective, expiration, and policy number in general terms.

**Downstream Party** – The party to a contract required to provide evidence of contractually required insurance coverage. Generally through the use of a Certificate of Insurance.

**Upstream Party** – The party to a contract requiring the provision of evidence of contractually required insurance coverage, generally through the use of a Certificate of Insurance.

## Appendix

ACORD 24 – Certificate of Property Insurance (September 2009)

ACORD 25 – Certificate of Liability Insurance (May 2010)

ACORD 27 – Evidence of Property Insurance (December 2009)

ACORD 28 – Evidence of Commercial Property Insurance (December 2009)

## Resources

[www.ACORD.org](http://www.ACORD.org)

[www.irmi.com/online](http://www.irmi.com/online)

[www.willis.com](http://www.willis.com) - Willis, Construction Practice Blueprint, September 2010

Certificate of Insurance-Notice of Cancellation Change – By Michael Campo, October 2010 courtesy of Lockton Companies, LLC



**If this certificate is being prepared for a party who has an insurable interest in the property, do not use this form. Use ACORD 27 or ACORD 28.**

REVISION NUMBER:

**SPECIAL CONDITIONS / OTHER COVERAGES** (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

## CANCELLATION

**AUTHORIZED REPRESENTATIVE**





# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

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

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER	CONTACT NAME:	
	PHONE (A/C, No. Ext):	FAX (A/C, No):
INSURED	E-MAIL ADDRESS:	
	INSURER(S) AFFORDING COVERAGE	
	NAIC #	
	INSURER A :	
	INSURER B :	
	INSURER C :	
INSURER D :		
INSURER E :		
INSURER F :		

**COVERAGES****CERTIFICATE NUMBER:****REVISION NUMBER:**

THIS IS TO CERTIFY THAT 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 CERTIFICATE 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.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	<b>GENERAL LIABILITY</b>						EACH OCCURRENCE \$
	<input type="checkbox"/> COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence) \$
	<input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR						MED EXP (Any one person) \$
	<input type="checkbox"/> GEN'L AGGREGATE LIMIT APPLIES PER:						PERSONAL & ADV INJURY \$
	<input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						GENERAL AGGREGATE \$
	<b>AUTOMOBILE LIABILITY</b>						PRODUCTS - COMP/OP AGG \$
	<input type="checkbox"/> ANY AUTO						COMBINED SINGLE LIMIT (Ea accident) \$
	<input type="checkbox"/> ALL OWNED AUTOS						BODILY INJURY (Per person) \$
	<input type="checkbox"/> HIRED AUTOS						BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS						PROPERTY DAMAGE (Per accident) \$
	<input type="checkbox"/> NON-OWNED AUTOS						\$
	<b>UMBRELLA LIAB</b>						EACH OCCURRENCE \$
	<input type="checkbox"/> EXCESS LIAB						AGGREGATE \$
	<input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$						\$
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b>						<input type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	<input type="checkbox"/> Y <input type="checkbox"/> N					E.L. EACH ACCIDENT \$
	If yes, describe under DESCRIPTION OF OPERATIONS below		N/A				E.L. DISEASE - EA EMPLOYEE \$
							E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

**CERTIFICATE HOLDER****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.

AUTHORIZED REPRESENTATIVE



# 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	<input type="checkbox"/> 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

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	<input type="checkbox"/>	MORTGAGEE	<input type="checkbox"/>	ADDITIONAL INSURED
	<input type="checkbox"/>	LOSS PAYEE		
	LOAN #			
	AUTHORIZED REPRESENTATIVE			



# EVIDENCE OF COMMERCIAL PROPERTY INSURANCE

DATE (MM/DD/YYYY)

THIS EVIDENCE OF COMMERCIAL 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.

PRODUCER NAME, CONTACT PERSON AND ADDRESS		PHONE (A/C, No, Ext):	COMPANY NAME AND ADDRESS		NAIC NO:
FAX (A/C, No):		E-MAIL ADDRESS:	IF MULTIPLE COMPANIES, COMPLETE SEPARATE FORM FOR EACH		
CODE:		SUB CODE:	POLICY TYPE		
AGENCY CUSTOMER ID #:					
NAMED INSURED AND ADDRESS			LOAN NUMBER		POLICY NUMBER
			EFFECTIVE DATE		EXPIRATION DATE
					<input type="checkbox"/> CONTINUED UNTIL TERMINATED IF CHECKED
ADDITIONAL NAMED INSURED(S)			THIS REPLACES PRIOR EVIDENCE DATED:		

PROPERTY INFORMATION (Use REMARKS on page 2, if more space is required) ☐ BUILDING OR ☐ BUSINESS PERSONAL PROPERTY

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
COMMERCIAL PROPERTY COVERAGE AMOUNT OF INSURANCE: \$					DED:
<input type="checkbox"/> BUSINESS INCOME	<input type="checkbox"/> RENTAL VALUE	YES NO N/A			Actual Loss Sustained; # of months:
BLANKET COVERAGE					If YES, indicate value(s) reported on property identified above: \$
TERRORISM COVERAGE					Attach Disclosure Notice / DEC
IS THERE A TERRORISM-SPECIFIC EXCLUSION?					
IS DOMESTIC TERRORISM EXCLUDED?					
LIMITED FUNGUS COVERAGE					If YES, LIMIT: DED:
FUNGUS EXCLUSION (If "YES", specify organization's form used)					
REPLACEMENT COST					
AGREED VALUE					
COINSURANCE					If YES, %
EQUIPMENT BREAKDOWN (If Applicable)					If YES, LIMIT: DED:
ORDINANCE OR LAW - Coverage for loss to undamaged portion of bldg					
- Demolition Costs					If YES, LIMIT: DED:
- Incr. Cost of Construction					If YES, LIMIT: DED:
EARTH MOVEMENT (If Applicable)					If YES, LIMIT: DED:
FLOOD (If Applicable)					If YES, LIMIT: DED:
WIND / HAIL (If Subject to Different Provisions)					If YES, LIMIT: DED:
PERMISSION TO WAIVE SUBROGATION IN FAVOR OF MORTGAGE HOLDER PRIOR TO LOSS					

## 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

<input type="checkbox"/> MORTGAGEE	<input type="checkbox"/> CONTRACT OF SALE	LENDER SERVICING AGENT NAME AND ADDRESS
<input type="checkbox"/> LENDERS LOSS PAYABLE		
NAME AND ADDRESS		
		AUTHORIZED REPRESENTATIVE

SPECIMEN



### **About the Risk and Insurance Management Society, Inc.**

The Risk and Insurance Management Society, Inc. (RIMS) is a not-for-profit organization dedicated to advancing the practice of risk management. Founded in 1950, RIMS represents some 4,000 industrial, service, nonprofit, charitable and government entities. The Society serves more than 10,000 risk management professionals around the world.

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