**Waiver Sample for Professional Liability (PL) & General Liability (GL)**

**Insurance Waiver Requests**

**Please submit formal waiver requests in word format on form** [**HUD-2-ORCF**](https://www.hud.gov/sites/dfiles/OCHCO/documents/2_orcf.docx)**.**

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| **This section to be completed by Lender** | |
| 1. FHA Number, Project Name & Location: | FHA Number  Project Name  Project City and State |
| 1. Waiver Requested By: | Lender Company Name / Lender UW |
| 1. Relief Sought: | *Provide the specific reference you are requesting to waive and explain what you are requesting be allowed*  *Waiver of [Insert Requirement you wish to waive], to allow [Insert what you are requesting we allow instead of the requirement listed in the handbook].*  *Example:*  Handbook 4232.1, Rev. 1 Section II Production  General Liability Insurance  Section 14.6 C 3.a  Waive the minimum required $3,000,0000 per location GL aggregate and allow a $X policy aggregate.  Section 14.6 C 4.a  Waive the maximum allowed $25,0000 GL deductible and allow a $X GL deductible.  Professional Liability Insurance  Appendix 14.1 IV A 1.c  Waive the maximum allowed $25,0000 PL deductible and allow a $X PL deductible. |
| 1. Justification: | GLPL Policy Summary:*Provide a narrative summary of the policy that you are requesting be approved, for example:*   * This is a blanket policy covering X facilities, including the subject. * The GLPL limits are $X per occurrence and $X aggregate. * The GLPL deductible is $X. * The GLPL policy has separate GLPL $X aggregate limits. * The GL aggregate limit is a per location limit. * There is a $X policy aggregate.   Six-Year Loss History *(insert dates of loss history)***:**  *Provide a discussion of the loss history and an explanation of why you believe the waiver is justified based on the loss history.  Include the summary table from the lender narrative:*    The loss history shows the policy had XX claims over the last 6 years with $XXX paid and reserved.  The average annual loss was $XXX, no single claim or annual loss exceeded the policy limits.  The $X deductible has allowed the facility to have lower premiums for the GLPL policy.  PLI Coverage Cost:  *Describe the cost of compliant coverage and support this with quote(s).  You should also demonstrate how this is a cost burden for the projects. Example:*    The current cost of the GLPL policy is $XX,XXX. Quotes from the insurance agent indicated increased premiums of $X to $X for a $25,000 deductible. This would be a large burden based on the $XXX average annual loss. Each facility would have $X to $X additional premium allocated.  Financial Capacity:  *Discuss the financial capacity quantitatively to show that there is sufficient capacity to cover the proposed waiver. Example:*  The facilities have paid the deductibles from cash flow of each facility. (No/XX) claim exceeded the $X deductible. The DSCR for HUD Nursing Home is X.XX. The XX/XX/XX Operator Parent net worth was $XXX with a current ratio of X. The Operator parent and loss history demonstrate low loss rates and the financial capacity to support the $X deductible.  State Tort Reform:  *If applicable - Appendix 14.1, IV C allows consideration of waivers where state legislation has limited PLI claim liability, for example, Texas.* |

**PL/GL Addendum to Form HUD-2-ORCF**

1. **Policy – General Questions**
2. Is this a combined GLPL policy? Yes/No
   1. If yes, confirm if the GL and PL have separate aggregate limits, i.e. $3MM PL and $3MM GL aggregate limits, or combined aggregate limits. i.e. $3MM aggregate limit for both GL and PL claims.
   2. Is there a policy aggregate? Yes/No If so, what is the policy aggregate?
3. How many facilities are on the policy? <<insert number of facilities on the policy>>
   1. If more than one facility, are there other HUD-insured loans on the policy? Yes/No
4. Is the total replacement value on the property policy over $100MM? Yes/No
5. Are there any excess GL or PL policies? Yes/No
   1. If so, please describe.
6. Is there a deductible aggregate or deductible corridor? Yes/No
   1. If so, please describe.
7. Any other unique features?
   1. Non-IOI operators on the policy, using the HUD definition of IOI. Yes/No
      1. If so, please describe.
   2. Self-insurance / fronting carrier Yes/No
      1. If so, please describe.
   3. Other Yes/No
      1. If so, please describe.
8. **Professional Liability Insurance (Handbook 4232.1, Rev. 1, Appendix 14.1)**
9. Professional liability per occurrence limit $
10. Professional liability aggregate limit $
11. Professional liability deductible $
12. Claims made or per occurrence coverage <<insert claims made or per occurrence>>
    1. If claims made coverage, retro date
    2. If claims made, statute of limitations period <<insert # of years for the specific state>>
13. **Commercial General Liability Insurance (Handbook 4232.1, Rev. 1, Chapter 14.6)**

1. Commercial general liability per occurrence limit $

2. Commercial general liability aggregate limit $

a. The GL aggregate limit applies to <<insert policy/project/location/other>>

3. Commercial general liability deductible $

4. Claims made or per occurrence coverage <<insert claims made or per occurrence>>

a. If claims made coverage, retro date

1. If claims made, OHP 1336 is a blanket waiver allowing claims made GL coverage.

5. Is there a GL umbrella policy(s)? Yes/No

a. If so, amount(s)      . Please describe coverage.

1. Does it apply to PL, auto or other insurance? If so, please list.

# Exhibits

Any insurance exhibits should be provided in the application, analyzed and discussed in Part 4 Justification, including:

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|  | **Insurance Accord Evidencing Coverage, Exhibit 10-2**  Current insurance ACORD to confirm the policy limits, retro dates (if any), policy aggregate (if any). |
|  | **Loss History, Exhibit 10-4**  Recent loss history for policy,  Tables - If a blanket policy, provide appropriate breakout tables for the HUD project(s).  Summary tables should be prepared by the lender and included in Part 4. |
|  | **Actuarial Study, if available, Exhibit 10-6**  Copy of the actuarial study for self-insured captives.  Part 4 - Include a comparison of the recommended reserves and funding levels to the financial statements of the captive. The captive should be funded to the recommended levels. |