**PLI 50+ Review**

**Sample Discussion for use in the Lender Narrative Template**

1. **Overview**

* *Parent of the Operator history – Discuss how they got there, an overview to bring context to the present position.*
* *Discuss history of any HUD loans with this Parent of the Operator or any its principals.*
* *Present - Number of facilities operated, number of beds, locations (states).*

1. **PLI Insurance Policies**

* *Summarize PL policy coverage(s), if combined with GL coverage, discuss both GL and PL.*
  + *See addendum for PL and GL policy information to consider.*
  + *If multiple policies, summarize each policy and coverage limits.*
* *Self-Insurance*
  + *Identify self-insurance and fronting carriers.*
  + *See handbook 4232.1 Rev. 1 – Appendix 14.1 IV B and D, Exhibits 10-6 A and 10-6. B.*
    - *Compare the captive financial statements and the actuarial study recommendations for reserves and current year funding (premiums) for the captive.*
    - *Identify and mitigate if the recommended levels are not met by the captive.*
* *Multiple Operators on the same policy.*
  + *Identify if the policy covers non-IOI operator entities (HUD definition).*
  + *If so, clearly make such distinctions between the parent of the operator subject and the non-IOI operators in the loss history, CMS ratings, financial condition and other areas where relevant.*
* *Waivers – Address waiver(s) submitted for the policy(s), if any.*

1. **Six Year Claims History**

* *A summary table with claims, losses, beds, and totals that show average loss per year, average loss per claim, average loss per bed.*
* *Subject to the scope and complexity of the PLI policies, use breakout tables for states or policies or other reasonable/appropriate groupings.*
* *Address significant claims or issues, if any, and how those issues are mitigated.*

1. **CMS Summary**

* *CMS overview of the portfolio; addressing state surveys, CMS stars, G tags, fines, penalties, payment denials, other negative/derogatory findings or actions, or the absence of such issues.*
* *If above has negative/derogatory matters, address how these issues are mitigated.*

1. **Financial Condition**

* *Discuss the financial position of the Parent of the Operator. This can be a discussion of the balance sheet and income statement with a reasonable net worth and cash flow.*
* *Discuss circumstances or financial issues, as appropriate or relevant, and mitigation.*

**Addendum**

1. **Policy – General Questions**
2. Has this GLPL policy been reviewed and approved by HUD before? Yes/No
   1. Have any waivers been granted for this policy? Yes/No
      1. If so, please identify the OHP waiver number.       and when was it issued?
3. 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?
4. 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
5. Is the total replacement value on the property policy over $100MM? Yes/No
6. Are there any excess GL or PL policies? Yes/No
   1. If so, please describe.
7. Is there a deductible aggregate or deductible corridor? Yes/No
   1. If so, please describe.
8. Any other unique features? Yes/No
   1. Non-IOI operators on the policy, using the HUD definition of IOI. Yes/No
   2. If so, please describe.
   3. Self-insurance / fronting carrier Yes/No
   4. If so, please describe.
   5. Other Yes/No
   6. If so, please describe.
9. **Professional Liability Insurance (Appendix 14.1)**
10. Professional liability per occurrence limit $
11. Professional liability aggregate limit $
12. Professional liability deductible $
13. 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>>
14. **Commercial General Liability Insurance (14.6)**

1. Commercial general liability per occurrence limit $

2. Commercial general liability aggregate limit $

a. The GL aggregate limit applies to *policy / project / location / other*

3. Commercial general liability deductible $

4. Claims made or per occurrence coverage c*laims made / 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.