**Professional Liability Insurance Grid**

You do NOT need to complete a form HUD-2-ORCF for any of the blanket waivers listed below. In the Lender Narrative note the waiver number(s) that apply to your specific project.

**Professional Liability Insurance Blanket Waivers - All ORCF projects**

|  |  |
| --- | --- |
| **Waiver Number** | **4232.1 Rev 1 - Section II - Production** |
| OHP 1336 | Chapter 14 B.1  Waives the requirement for per occurrence commercial general liability insurance coverage and allows claims made commercial general liability coverage when combined with a HUD compliant claims made PL/GL policy. |
| OHP 1889 | Chapter 14.6 C 4.a and Appendix 14.1 IV A 1.c  Waives the $25,000 PL/GL deductible and allows $100,000 PL/GL deductible. |
| OHP 2054 | Chapter 14.6 C 3.a  Waives the minimum required $3,000,000 per location general liability aggregate limit and allows a $3,000,000 GL aggregate policy limit.  Chapter 14.6 C 3.b  Waives the $5,000,000 general liability umbrella liability requirement for a blanket policy with 10 or more facilities. |

**Other Blanket Waivers - All ORCF projects**

|  |  |
| --- | --- |
| **Waiver Number** | **4232.1 Rev 1 - Section II - Production** |
| OHP 2115 | Chapter 14.1.D  Waives the requirement that property insurance policies must be paid in full, and that the borrower shall not finance premiums for renewals of any policy covering the physical damage to collateral of the loan and allow projects to finance insurance premiums.  Note: When using this blanket waiver, the lender should review the financing agreement. |
| OHP 2240 | Chapter 14.7 E-Fidelity Bond/Crime Insurance  Waives the maximum allowed $25,000 Fidelity Bond/Crime Insurance deductible to allow a $100,000 Fidelity Bond/Crime Insurance deductible. |

**State Specific Professional Liability Blanket Waivers for participants of state programs**

Waivers based on state tort limits - Waiver for PLI limits only - Except for Texas, which includes GLI limit waiver

|  |  |  |
| --- | --- | --- |
| **Waiver Number** | **State** | **4232.1 Rev 1 - Section II - Production - Appendix 14.1, IV A** |
| OHP 0687 | Indiana | Waives the minimum required professional liability insurance limits of $500,000 per occurrence and $1,500,000 aggregate limits required under the IN PCF. |
| OHP 0750 | Kansas | Waive the minimum required professional liability insurance limits of $1,000,000 per occurrence and $3,000,000 aggregate and allow HCSF participants to have PLI limits that are consistent with the Kansas HCSF health care provider requirements.  After 01/01/2022:  Providers must have $500,000 per occurrence and $1,500,000 aggregate PLI coverage. Providers may select between two additional coverage HCSF options:  HCSF Option 1: $500,000 per claim, $1,500,000 aggregate.  HCSF Option 2: $1,500,000 per claim, $4,500,000 aggregate. |
| OHP 1158 | Louisiana | Waives the minimum required professional liability insurance limits of $1,000,000 per occurrence/$3,000,000 aggregate and allows the amounts set by the Louisiana Medical Malpractice Act:  Insurance of $100,000/$300,000 or a pledge of $125,000 in self-insurance to the custody of the state treasurer; plus, any surcharge required by the Louisiana Insurance Rating Commission. |
| OHP 1194 | Pennsylvania | Waives the minimum required professional liability insurance limits of $1,000,000 per occurrence and $3,000,000 aggregate and allows $500,000 per occurrence and $1,500,000 aggregate PLI limits. |
| OHP 1779 | Texas | Appendix 14.1, IV, A.1.a  Waives the minimum required $1,000,000 per occurrence limit and allows a $250,000 PLI per occurrence limit.  Appendix 14.1, IV, A.1.b  Upon acceptable review, waives the minimum required PLI annual aggregate limit of $3,000,000 and allows a PLI annual aggregate limit of $250,000.  If the project(s) have a combined PL/GL policy, and upon acceptable review, then this waiver also allows:  Chapter 14.6 C 3.a  Waives the minimum required $1,000,000 per occurrence limit and allows a $250,000 GL per occurrence limit.  Waives the minimum required GL per location annual aggregate of $3,000,000 and allows GL per location annual aggregate limits of $250,000. |

**PL/GL Insurance Review and Waiver Lender Tool**

1. **Review General Blanket Waivers**

OHP 1336 allows claims made GL coverage

OHP 1899 allows deductible/SIR up to $100K

OHP 2054 waives the $3MM per location GL aggregate

OHP 2054 waives the $5MM GL excess policy for 10+ blanket policies

1. **Review State Blanket Waivers – See Professional Liability Grid for waiver details**

OHP 0687 Indiana

OHP 0750 Kansas

OHP 1158 Louisiana

OHP 1194 Pennsylvania

OHP 1779 Texas

*For state specific waivers - Reference the OHP waiver number and why the project complies.*

1. **Review for compliance – See Handbook Chapter 14 for full requirements**
   1. PL/GL per occurrence and aggregate limits
      1. Is the PL/GL policy aggregate = or > $6MM?
         1. Are PLI limits = or > $1MM/$3MM?
         2. Are GLI limits = or > $1MM/$3MM?
            1. If not, prepare HUD-2
   2. PL/GL deductible limits
      1. Is the PL deductible/SIR = or < $25K?
      2. Is the GL deductible/SIR = or < $25K?
         1. If yes, compliant with Handbook 4232.1 Rev-1.
         2. If PL/GL deductible/SIR is > $25K and = or < than $100K – use OHP 1889
            1. If PL/GL deductible/SIR is > $100K, prepare HUD-2

Sample HUD-2 waiver items - *Completion of a HUD-2 waiver is only required when the PL/GL policy does not comply with the handbook and a blanket waiver has NOT been issued.*

*If PL/GL per occurrence limits are below $1MM and PL/GL aggregate limits are below $3MM:*

Chapter 14.6 C 3.a and Appendix and aggregate limits 14.1 IV A 1.a and 1.b

Waive the PL/GL $1,000,000 per occurrence and separate $3,000,000 aggregate limit requirements and allow a $XXX,000 PL/GL per occurrence limit and a combined $XXX,000 PL/GL aggregate limit.

*If PL/GL per occurrence limits are $1MM or more and the PL/GL aggregate limits are below $3MM:*

Chapter 14.6 C 3.a - Appendix 14.1 IV A 1.a and 1.b

Waive the separate PL/GL $3,000,000 aggregate limit requirements and allow a combined PL/GL aggregate limit of $XXX,000.

*If the PL and/or GL deductibles/SIRs are over $100,000:*

Chapter 14.6 C 4

Waive the maximum allowed GL deductible and allow a $XXX,000 GL deductible.

Appendix 14.1 IV A 1.c

Waive the maximum allowed $25,000 PL deductible and allow a $XXX,000 PL deductible.

**PL/GL Review Questions**

1. **Policy – General Questions**
2. Is this a combined PL/GL 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?

*OHP 2054 - waives $3MM per location GL aggregate*

1. 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

*(If yes, list in HUD-2 Part 1)*

1. Is the total replacement value on the property policy over $100MM? Yes/No
2. Are there any excess GL or PL policies? Yes/No
   1. If so, please describe.      *OHP 2054 waives $5MM GL excess for 10+ blanket policies*
3. Is there a deductible aggregate or deductible corridor? Yes/No
   1. If so, please describe.      *Review for deductible/SIR waiver if over $100,000.*
4. 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.
5. **Professional Liability Insurance (Handbook 4232.1, Rev. 1, Appendix 14.1)**
6. Professional liability per occurrence limit $
7. Professional liability aggregate limit $
8. Professional liability deductible $     *OHP 1899 allows deductible/SIR up to $100K*
9. 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>>
10. **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 $     *OHP 1899 allows deductible/SIR up to $100K*

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 *OHP 2054 waives $5MM GL excess liability policy*

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

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