



# Lendistry's General Insurance Requirements

As a resource for our borrowers, Lendistry has created a list that details the types of insurance that may be requested as part of the loan application process, why they're needed, and related requirements.

This is a comprehensive list of the most commonly required hazard and liability coverages, but please note that your loan likely requires only some of them. Please refer to your Lendistry contact for information about what type of insurance and requirements you need. Title insurance is not contemplated herein but may be required for your loan.

Insurance	Why This Coverage is Required	General Requirements	Additional Requirements
<b>Builder's Risk/Course of Construction</b> Form: Acord 25, Acord 27, Acord 28 (If all required coverages can be listed on one form, separate forms are not necessary).	Protects building and construction material during construction or leasehold improvements in the event of damage or destruction by fire, theft, vandalism, explosions, and/or water damage due to burst pipes (flood and earthquakes not covered, unless added).	<ul style="list-style-type: none"><li>• Full replacement cost or maximum insured value.</li><li>• Minimum coverage must equal total construction costs.</li><li>• Lender's Loss Payable endorsement (438 BFU, CP 12 18 or equivalent).</li><li>• List Lender as Mortgagee (1st or 2nd mortgage).</li></ul>	<ul style="list-style-type: none"><li>• A provision indicating that Lendistry will receive at least 30 days advance written notice from the insurer prior to cancellation or reduction of the policy, and a 10-day advance written notice of cancellations for nonpayment of premiums.</li></ul>
<b>Business Personal Property</b> Form: Acord 28	Protects the business's assets in the event of damage or destruction by fire, theft, vandalism, explosions, and/or water damage due to burst pipes (flood and earthquakes not covered, unless added). Assets protected include equipment, inventory, furniture, and computers.	<ul style="list-style-type: none"><li>• Full Replacement Cost.</li><li>• Lender's Loss Payable endorsement (438 BFU, CP 12 18 or equivalent).</li><li>• Maximum deductible allowed is \$5,000.</li></ul>	<ul style="list-style-type: none"><li>• A provision indicating that Lendistry will receive at least 30 days advance written notice from the insurer prior to cancellation or reduction of the policy, and a 10-day advance written notice of cancellations for nonpayment of premiums.</li></ul>
<b>Commercial Real Estate Hazard</b> Form: Acord 27 or Acord 28	Protects commercial building and its contents from damage or destruction by fire, theft, vandalism, explosions, and/or water damage due to burst pipes (flood and earthquakes not covered, unless added).	<ul style="list-style-type: none"><li>• Full replacement cost or maximum insured value.</li><li>• List Lender as Mortgagee (1st or 2nd Mortgage).</li><li>• Lender's Loss Payable endorsement (438 BFU, CP 12 18 or equivalent).</li><li>• Maximum deductible allowed is \$25,000.</li></ul>	<ul style="list-style-type: none"><li>• A provision indicating that Lendistry will receive at least 30 days advance written notice from the insurer prior to cancellation or reduction of the policy, and a 10-day advance written notice of cancellations for nonpayment of premiums.</li><li>• Policy cannot specifically exclude Wind/Storm Damage.</li></ul>
<b>Condominium: External Coverage</b> Form: Acord 25	Protects the exterior parts of the condominium such as roof, exterior walls, and any landscaping from loss due to fire, wind, and hail.	<ul style="list-style-type: none"><li>• Lists address of Owner's Unit/Suite.</li><li>• Full replacement cost or maximum insured value of Exterior/Shell.</li></ul>	<ul style="list-style-type: none"><li>• Condo Association and/or Vested Owner (if not listed as insured, must be listed as the owner in the remarks section).</li></ul>
<b>Condominium: Interior Coverage</b> Form: Acord 27 or Acord 28	Protects the interior parts of the condominium from the studs in (such as appliance and light fixtures) from damage or destruction by fire, theft, vandalism, explosions, and/or water damage due to burst pipes (flood and earthquakes not covered, unless added).	<ul style="list-style-type: none"><li>• Full replacement cost or maximum insured value.</li><li>• List Lender as Mortgagee<sup>1</sup> (1st or 2nd mortgage).</li><li>• Lender's Loss Payable endorsement (438 BFU, CP 12 18 or equivalent).</li><li>• Betterments and Improvements.</li></ul>	<ul style="list-style-type: none"><li>• A provision indicating that Lendistry will receive at least 30 days advance written notice from the insurer prior to cancellation or reduction of the policy, and a 10-day advance written notice of cancellations for nonpayment of premiums.</li><li>• Policy cannot specifically exclude Wind/Storm Damage.</li></ul>
<b>Flood Insurance on Commercial Structure</b>	Flood Insurance is required for real estate properties in areas at risk for flood; areas identified by Federal Emergency Management Agency (FEMA).	<ul style="list-style-type: none"><li>• Outstanding principal balance or maximum limit of coverage available under the National Flood Insurance Act of 1968, whichever is less.</li><li>• The maximum for businesses is \$500,000 in building coverage and \$500,000 in contents coverage.</li></ul>	<ul style="list-style-type: none"><li>• A provision indicating that Lendistry will receive at least 30 days advance written notice from the insurer prior to cancellation or reduction of the policy, and a 10-day advance written notice of cancellations for nonpayment of premiums.</li></ul>

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If you have any questions, contact us at 855-476-5870 • Monday – Friday 9:00 am – 8:00 pm ET.

<b>Flood Insurance on Residential Structure</b>	Flood Insurance is required for real estate properties in areas at risk for flood; areas identified by Federal Emergency Management Agency (FEMA).	<ul style="list-style-type: none"> <li>Outstanding principal balance or maximum limit of coverage available under the National Flood Insurance Act of 1968, whichever is less.</li> <li>The maximum for residential structures for a family of one-to-four is \$250,000 in building coverage and \$100,000 in contents coverage.</li> <li>For residential structures of five or more units, the maximum is \$500,000 in building coverage and \$100,000 in contents coverage.</li> </ul>	<ul style="list-style-type: none"> <li>A provision indicating that Lendistry will receive at least 30 days advance written notice from the insurer prior to cancellation or reduction of the policy, and a 10-day advance written notice of cancellations for nonpayment of premiums.</li> </ul>
<b>General Liability Form: Acord 25</b>	Protects the business owner from financial loss from lawsuits due to injuries, data breaches, and disgruntled employees.	<ul style="list-style-type: none"> <li>Minimum requirement: \$1MM each occurrence; \$2MM aggregate.</li> <li>For loans \$2,000,000 to \$5,000,000: additional excess/umbrella coverage (XLIB) of at least \$1,000,000 is required and cannot be combined with the aggregate.</li> <li>Lender referenced as Additional Insured.</li> </ul>	<ul style="list-style-type: none"> <li>A provision indicating that Lendistry will receive at least 30 days advance written notice from the insurer prior to cancellation or reduction of the policy, and a 10-day advance written notice of cancellations for nonpayment of premiums.</li> </ul>
<b>Life Insurance Document: Fully executed copy of the life insurance policy showing the assignment of collateral.</b>	Protects the business by paying out a certain dollar amount in the event of the death of an owner or key man employee.	<ul style="list-style-type: none"> <li>Face amount must be equal to or greater than Loan amount.</li> <li>Add Lender as "Assignee".</li> <li>Complete an Assignment of Policy as Collateral Security.</li> </ul>	<ul style="list-style-type: none"> <li>For new policies: Generate policy and assignment of collateral generated <u>simultaneously</u> to expedite the process.</li> </ul>
<b>Professional/ Disability Form: Acord 25</b>	Protects professional individuals in the event they are stricken with a disabling medical condition.	<ul style="list-style-type: none"> <li>For Operating Company or Doctor.</li> </ul>	
<b>Residential Real Estate Hazard Form: Acord 27</b>	Protects residential building and its contents from damage or destruction by fire, theft, vandalism, explosions, and/or water damage due to burst pipes (flood and earthquakes not covered, unless added).	<ul style="list-style-type: none"> <li>Full replacement cost or maximum insured value.</li> <li>List Lender as Mortgagee (1st or 2nd mortgage).</li> <li>Lender's Loss Payable endorsement (438 BFU, CP 12 18 or equivalent).</li> </ul>	<ul style="list-style-type: none"> <li>A provision indicating that Lendistry will receive at least 30 days advance written notice from the insurer prior to cancellation or reduction of the policy, and a 10-day advance written notice of cancellations for nonpayment of premiums.</li> </ul>
<b>Vehicle Form: Acord 25</b>	Protects the vehicle owner in the event of an unforeseen accident to pay for medical bills, property, and vehicle replacement.	<ul style="list-style-type: none"> <li>VIN must be listed on Acord form.</li> </ul>	<ul style="list-style-type: none"> <li>Confirm liability is part of coverage.</li> <li>Include Comprehensive and Collision.</li> </ul>
<b>Workers' Compensation Form: Acord 25</b>	Protects the business by paying a percentage of an employee's salary in the event they are injured while performing their duties and responsibilities.	<ul style="list-style-type: none"> <li>For Operating Company.</li> </ul>	

<sup>1</sup> If the property is a part of a Condominium Association, property insurance with a minimum coverage of the loan amount for interior improvements being financed must be confirmed. If not, Builder's Risk/Course of Construction Insurance will be required.

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