

Instructions

- The **"Effective Date"** of the policy should typically be the **"Close Date"** (but no later than the **"Title Company Disbursement Date"**)
- **Renovo must be listed as "Mortgagee" & "Lender's Loss Payable/Loss Payee" separately**
 - Loss Payee: RFLF #, LLC, ISAOA/ATIMA, PO BOX 2091, Carmel, IN 46082
 - Mortgagee: RFLF #, LLC, ISAOA/ATIMA, PO BOX 2091, Carmel, IN 46082
- **Policy Terms**
 - **"Construction Amount"** - Needs to be equivalent to the "Total Scope of Work" for the project (Whether "Renovo funded", "Client Funded", or both)
 - **Replacement Costs (AKA "Dwelling Amount")**
 - Properties Under Construction - The lower of A) The Loan Amount OR B) 100% of replacement costs on an "As-Completed" basis
 - Properties already Complete - The lower of A) The Loan Amount OR B) 100% of replacement costs on an "As-is" basis
 - **Bridge Loans**
 - Purchases - Policy must be valid for 1 year from the date of closing. Policy must be "Paid in Full".
 - For any "Occupied Properties", there must be at least 6 months of "Loss of Income" coverage
 - **Term Loans**
 - Renovo will accept an existing policy already in place, as long as the remaining period of the policy is greater than 60 days from closing. Policy must be "Paid in Full".
 - There must be at least 6 months of "Loss of Income" coverage
- **Flood Zone (For any properties in a Flood Zone)**
 - Renovo will require a separate FEMA policy OR private flood insurance policy for any properties in a flood zone
 - The limit on this additional policy must be no less than the limit on the related dwelling policy
- **The Named Insured**
 - Must be in the "Borrowing Entity Name" (Entity we are closing the deal in)
 - Personal names are NOT ALLOWED anywhere on the policy
- **HOA** - For condo units or condo buildings, we will need dwelling insurance "HO-6" (Drywall in) & a Master HOA policy
- **Escrow Terms** - All escrow payments will be paid directly to the Insurance Carriers (Direct Billing). We will not provide any payments to agents/agencies (Agency billing).
- **Blanket Policies**
 - **Bridge** - Renovo allows blanket policies on an exception basis, as long as the only properties on that policy, are related to a Renovo loan. There cannot be properties unrelated to Renovo on the blanket policy.
 - **Term** - Renovo allows blanket policies on a "per loan" basis (which means as long as the properties on the policy pertain to the one loan, it may be deemed acceptable). There cannot be properties unrelated to the one loan OR unrelated to Renovo on a term loan blanket insurance policy.
- **What Renovo Won't Accept** - We do not accept any Master Policies/Investor programs with a "Master Named Insured" or with shared property limits (e.g. we do not accept programs such as NREIG, REInsure Pro, or Arcana)

Types of Policies

- **Builders Risk Insurance**
 - Rehab Loans
 - New Construction Loans
- **Vacant Dwelling Insurance**
 - Vacant Building
 - Completed (No Tenant)
- **Occupied Dwelling Insurance (AKA "Lessor's Risk Insurance")**
 - Mini-Perm Loans
 - Term Loans
 - Completed (Tenant Occupied)

Documents Needed to Close

- **"Paid in Full" Receipt**
- **Bound "Evidence of Insurance" (EOI)**
 - Declaration page
 - We need at least the first page of the final policy
 - Accord Form
 - If the form says, "Temporary" or "Binder" anywhere on the document, Renovo must receive a "Final Policy" within 90 days of the Closing Date, or the loan WILL be subject to force-placement

Insurance Minimum Requirements 2024

Bridge

Term

Coverages		
Carrier Rating Agencies		
AM Best	B	A-
Demoteach	A	Not Allowed
KBRA	BBB	Not Allowed
S&P	BBB	Not Allowed
RCV	The lower of the Loan Amount or 100% of Replacement Costs	The lower of the Loan Amount or 100% of Replacement Costs
ACV	Only allowed if RCV is unobtainable by any insurance carrier. This warrants a review and an exception.	Only allowed if RCV is unobtainable by any insurance carrier. This warrants a review and an exception.
General Liability	Not Required	Not Required
Coinsurance	80% Co-Insurance 20% Borrower	80% Co-Insurance 20% Borrower
BI/Loss of Rents	Occupied - 6 Months Not occupied - N/A	Occupied - 6 Months Not occupied - N/A
Deductible	Maximum of \$10,000	Maximum of \$10,000
Term	12 Months	12 Months
Paid in Full?	Yes	Yes

State	Additional Coverage/Endorsements
Alabama	Windstorm & Hurricane Insurance, Sinkhole Insurance
Alaska	Landslide Insurance
Arizona	-
Arkansas	-
California	Wildfire Insurance, Landslide Insurance, Avalanche Insurance
Colorado	Avalanche Insurance, Landslide Insurance
Connecticut	Windstorm & Hurricane Insurance
Delaware	Windstorm & Hurricane Insurance, Sinkhole Insurance
Florida	Windstorm & Hurricane Insurance, Sinkhole Insurance
Georgia	Windstorm & Hurricane Insurance
Hawaii	Windstorm & Hurricane Insurance, Volcano Insurance, Landslide Insurance
Idaho	-
Illinois	-
Indiana	-
Iowa	-
Kansas	-
Kentucky	Sinkhole Insurance
Louisiana	Windstorm & Hurricane Insurance
Maine	Windstorm & Hurricane Insurance
Maryland	Windstorm & Hurricane Insurance, Sinkhole Insurance
Massachusetts	Windstorm & Hurricane Insurance
Michigan	-
Minnesota	-
Mississippi	Windstorm & Hurricane Insurance
Missouri	Sinkhole Insurance
Montana	Avalanche Insurance
Nebraska	-
Nevada	-
New Hampshire	-
New Jersey	Windstorm & Hurricane Insurance
New Mexico	-
New York	Windstorm & Hurricane Insurance
North Carolina	Windstorm & Hurricane Insurance, Landslide Insurance
North Dakota	-
Ohio	-
Oklahoma	Wind & Hail Insurance
Oregon	Landslide Insurance
Pennsylvania	Windstorm & Hurricane Insurance, Sinkhole Insurance
Rhode Island	Windstorm & Hurricane Insurance
South Carolina	Windstorm & Hurricane Insurance
South Dakota	-
Tennessee	Sinkhole Insurance
Texas	Windstorm & Hurricane Insurance, Sinkhole Insurance
Utah	Avalanche Insurance
Vermont	-
Virginia	Windstorm & Hurricane Insurance, Sinkhole Insurance
Washington	Volcano Insurance, Landslide Insurance
West Virginia	-
Wisconsin	-
Wyoming	-