

REQUEST FOR CONSENT TO INSURANCE CLAIM SETTLEMENT

Comprehensive Guide for Secured Property Claims

DOCUMENT HEADER

Date: [Current Date]

Method of Delivery: Certified Mail #[Number] AND Email to [Email Address]

Priority Level: ☐ Urgent ☐ Time-Sensitive ☐ Standard

TO:

[Bank/Lienholder Name]

[Specific Department - Insurance Loss Draft/Collateral Services]

[Street Address]

[City, State ZIP]

Attn: [Specific Contact if Known]

Phone: [Direct Line if Available]

Fax: [If Available]

FROM:

[Your Full Legal Name]

[Your Address]

[Your Phone]

[Your Email]

SUBJECT: REQUEST FOR CONSENT TO INSURANCE CLAIM SETTLEMENT

Time-Sensitive Insurance Matter Requiring Expedited Review

REFERENCE INFORMATION

- **Account/Loan Number:** [Full Account Number]
 - **Property Address:** [Complete Property Address Including Unit/Lot]
 - **Collateral Description:** [Year/Make/Model for Vehicles, Property Type for Real Estate]
 - **Your Reference Number:** [If Assigned]
 - **Insurance Claim Number:** [Claim Number]
-

EXECUTIVE SUMMARY

This formal request seeks your expeditious consent to an insurance claim settlement for damage to secured collateral. Immediate action is required to:

- Prevent further deterioration of collateral value
- Minimize accumulating costs and fees
- Maintain loan performance and security interest
- Comply with insurance claim deadlines

Requested Response Date: [Date - typically 10 business days]

SECTION 1: SECURED PARTY INFORMATION

Loan Details

- **Borrower/Debtor Name(s):** [All Names on Loan]
- **Co-Borrower (if applicable):** [Name]
- **Type of Security:** ☐ First Mortgage ☐ Second Mortgage ☐ Auto Loan ☐ Equipment Loan ☐ Other: [Specify]
- **Original Loan Date:** [Date]
- **Original Loan Amount:** \$[Amount]
- **Current Principal Balance:** \$[Amount]
- **Total Payoff Amount:** \$[Amount] as of [Date]

Payment History

- **Payment Status:** ☐ Current ☐ [#] Days Past Due
- **Last Payment Date:** [Date]
- **Last Payment Amount:** \$[Amount]
- **Monthly Payment:** \$[Amount]
- **Next Payment Due:** [Date]
- **Payment History:** [# of on-time payments in last 12 months]

Property/Collateral Value

- **Original Appraised Value:** \$[Amount] on [Date]

- **Current Estimated Value (Pre-Loss):** \$[Amount]
 - **Loan-to-Value Ratio:** [%]
 - **Property Tax Status:** ☐ Current ☐ Outstanding: \$[Amount]
 - **HOA Fees (if applicable):** ☐ Current ☐ Outstanding: \$[Amount]
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SECTION 2: LOSS INFORMATION

Incident Details

- **Date of Loss:** [Exact Date and Time if Known]
- **Date Reported to Insurance:** [Date]
- **Date Reported to You:** [This Letter Date]
- **Cause of Loss:** [Detailed Description]
 - ☐ Fire/Smoke
 - ☐ Water/Flood
 - ☐ Wind/Hail
 - ☐ Vehicle Impact
 - ☐ Theft/Vandalism
 - ☐ Other: [Specify]

Insurance Coverage Details

- **Insurance Carrier:** [Company Name]
- **Policy Number:** [Number]
- **Policy Period:** [Start Date] to [End Date]
- **Claim Number:** [Number]
- **Adjuster Name:** [Name]
- **Adjuster Phone:** [Direct Number]
- **Adjuster Email:** [Email]

Coverage Confirmation

- **Coverage Type:** ☐ Replacement Cost ☐ Actual Cash Value
- **Policy Limits:** \$[Amount]
- **Deductible:** \$[Amount]

- **Coverage Status:** ☐ Confirmed ☐ Under Review
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SECTION 3: DAMAGE ASSESSMENT

Extent of Damage

- **Pre-Loss Value:** \$[Amount]
- **Damage Category:** ☐ Partial Loss ☐ Total Loss ☐ Constructive Total Loss
- **Percentage of Damage:** [%] of property/vehicle affected

Professional Assessments

1. Insurance Adjuster Estimate

- Amount: \$[Amount]
- Date: [Date]
- Report #: [Number]

2. Independent Estimate (if obtained)

- Amount: \$[Amount]
- Company: [Name]
- Date: [Date]

3. Contractor/Repair Facility Estimate

- Amount: \$[Amount]
- Company: [Name]
- License #: [Number]

Salvage Information (if total loss)

- **Salvage Value:** \$[Amount]
 - **Salvage Buyer:** [Company Name if Known]
 - **Retention Option:** ☐ Owner Retains ☐ Insurance Takes Possession
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SECTION 4: INSURANCE SETTLEMENT DETAILS

Settlement Breakdown

Coverage Component	Amount	Status
Dwelling/Vehicle Value	[\$Amount]	[Approved/Pending]
Personal Property	[\$Amount]	[Approved/Pending]
Additional Living Expense	[\$Amount]	[Approved/Pending]
Debris Removal	[\$Amount]	[Approved/Pending]
Subtotal	[\$Amount]	
Less Deductible	-\$[Amount]	
Less Depreciation (if ACV)	-\$[Amount]	
Net Settlement	[\$Amount]	

Payment Structure

- **Initial Payment:** \$[Amount] - [Available/Expected Date]
- **Supplemental Payment:** \$[Amount] - [Upon Completion/Conditions]
- **Depreciation Hold-Back:** \$[Amount] - [Released Upon Completion]
- **Total Expected Proceeds:** \$[Amount]

SECTION 5: PROPOSED DISPOSITION PLAN

Option Selected:

☐ **OPTION A: REPAIR/RESTORATION**

- Repairs will restore collateral to pre-loss or better condition
- Licensed contractor selected and vetted
- Work will meet all code requirements
- Timeline established and reasonable
- Warranty provided for all work

☐ **OPTION B: REPLACEMENT** (Vehicles/Equipment)

- Proceeds will purchase comparable replacement
- Replacement will serve as substitute collateral

- New collateral will maintain security interest
- Documentation of transfer will be provided

☐ **OPTION C: TOTAL LOSS SETTLEMENT**

- Insurance proceeds applied to loan balance
 - Calculation of surplus or deficiency
 - Plan for addressing any deficiency
 - Timeline for final settlement
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SECTION 6: REPAIR DETAILS (If Option A Selected)

Contractor Information

- **Company Name:** [Name]
- **License Number:** [Number]
- **Insurance Carrier:** [Name]
- **Policy Number:** [Number]
- **Bond Number:** [If Applicable]
- **Years in Business:** [Number]
- **Better Business Bureau Rating:** [Rating]

Scope of Work

- **Detailed Work Description:** [Attach Detailed Scope]
- **Materials Quality:** ☐ Like Kind and Quality ☐ Upgraded (at owner expense)
- **Code Compliance:** All work meets current building codes
- **Permits Required:** ☐ Yes - [List] ☐ No

Timeline

- **Start Date:** [Date]
- **Phases:**
 1. Emergency Mitigation: [Dates]
 2. Demolition: [Dates]
 3. Structural Repairs: [Dates]
 4. Finish Work: [Dates]

- **Completion Date:** [Date]
- **Total Duration:** [Days/Weeks]

Quality Assurance

- **Inspections:** Municipal inspections at required stages
- **Warranty:** [Duration] warranty on workmanship
- **Your Right to Inspect:** Available upon request
- **Documentation:** Photos and reports provided

SECTION 7: FINANCIAL ANALYSIS

If Repair is Proposed:

- **Repair Cost:** \$[Amount]
- **Post-Repair Value:** \$[Amount]
- **Loan-to-Value After Repair:** [%]
- **Security Position:** ☐ Improved ☐ Maintained ☐ Acceptable

If Total Loss:

Financial Component	Amount
Insurance Settlement	\$[Amount]
Current Loan Balance	\$[Amount]
Surplus to Borrower	\$[Amount]
OR	
Deficiency	\$[Amount]

Deficiency Resolution (if applicable):

- ☐ Borrower will pay deficiency immediately
 - ☐ Payment plan proposed: \$[Amount] monthly for [#] months
 - ☐ Other collateral offered: [Description]
 - ☐ Seeking additional insurance coverage
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SECTION 8: REQUESTED ACTIONS

Immediate Needs:

1. **CONSENT TO SETTLEMENT** - Formal approval of insurance settlement terms
 2. **CHECK ENDORSEMENT** - Endorse insurance draft(s) for:
 - ☐ Direct payment to contractors for repairs
 - ☐ Joint control disbursement account
 - ☐ Partial release to borrower for immediate needs
 - ☐ Full loan payoff (if total loss)
 3. **EXPEDITED PROCESSING** - Due to:
 - ☐ Accruing storage fees: \$[Amount] per day
 - ☐ Additional living expenses: \$[Amount] per month
 - ☐ Risk of further damage without immediate repairs
 - ☐ Limited contractor availability (must start by [Date])
 - ☐ Material price increases pending
 - ☐ Insurance offer expires: [Date]
 4. **FEE CONSIDERATION** - Request to:
 - ☐ Waive administrative fees due to casualty loss
 - ☐ Reduce inspection fees
 - ☐ Defer any late fees during repair period
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SECTION 9: BORROWER'S COMMITMENTS

I/We hereby commit to:

During Repair/Settlement Process:

1. **Use Proceeds Appropriately**
 - Apply all funds solely to stated purpose
 - Maintain detailed records of expenditures
 - Provide receipts and documentation as requested
2. **Maintain Loan Obligations**
 - Continue monthly payments on schedule
 - Keep insurance coverage active

- Pay property taxes when due
- Maintain property security

3. **Communication & Documentation**

- Provide progress reports: [Frequency]
- Submit photos of progress upon request
- Notify of any delays or complications immediately
- Provide access for inspections with reasonable notice

4. **Project Management**

- Supervise contractor performance
- Ensure permit compliance
- Address any stop-work orders immediately
- Complete repairs within stated timeline

Post-Completion:

- Provide certificate of occupancy (if required)
 - Submit final inspection reports
 - Provide warranty documentation
 - Confirm restoration of full insurance coverage
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SECTION 10: DOCUMENTATION ATTACHED

Insurance Documentation:

- ☐ Complete adjuster's estimate/scope of loss
- ☐ Insurance company settlement letter
- ☐ Claim summary report
- ☐ Coverage verification letter
- ☐ Photos of damage (before and current)

Repair Documentation:

- ☐ Contractor's detailed estimate
- ☐ Contractor's license and insurance certificates
- ☐ Signed repair contract

- ☐ Permit applications/approvals
- ☐ Materials specifications

Financial Documentation:

- ☐ Proof of last 3 mortgage payments
- ☐ Current property tax receipts
- ☐ Proof of continued insurance
- ☐ Bank statements showing financial capacity

Additional Supporting Documents:

- ☐ Fire/Police report (if applicable)
 - ☐ Code compliance requirements
 - ☐ HOA approval (if required)
 - ☐ Environmental clearances (if needed)
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SECTION 11: TIME SENSITIVITY ALERT

Critical Deadlines:

- **Insurance Offer Expires:** [Date]
- **Contractor Availability Ends:** [Date]
- **Storage Fees Accumulating Since:** [Date]
- **Temporary Housing Expires:** [Date]
- **Material Price Lock Expires:** [Date]

Response Required By: [Date - typically 10 business days]

SECTION 12: PROPOSED ENDORSEMENT LANGUAGE

For your convenience, we suggest the following endorsement language:

"[Bank Name] as mortgagee/lienholder hereby consents to the insurance settlement in the amount of \$[Amount] for claim #[Number] and endorses the draft(s) payable jointly to [Insured Name] and [Contractor Name if applicable] for the purpose of [repairing the described property/settling the total loss]. This endorsement is given with the understanding that all proceeds will be used for the stated purpose and does not waive any rights of [Bank Name] under the security agreement, note, or deed of trust. Funds to be disbursed according to the attached disbursement schedule."

Authorized By: _____

Title: _____

Date: _____

SECTION 13: HOLD HARMLESS AGREEMENT

The undersigned borrower(s) agree to indemnify, defend, and hold harmless [Bank/Lienholder Name], its officers, directors, employees, and agents from and against any and all claims, losses, damages, liabilities, costs, and expenses (including reasonable attorney fees) arising from or related to:

1. The insurance claim settlement process
2. The repair/replacement of collateral
3. Disbursement of insurance proceeds
4. Any acts or omissions of contractors or subcontractors
5. Any liens or claims against the property

This indemnification survives the completion of repairs and continues until the loan is satisfied.

SECTION 14: CONTACT INFORMATION

Primary Contact (Borrower):

- **Name:** [Your Name]
- **Best Phone:** [Number]
- **Alternate Phone:** [Number]
- **Email:** [Primary Email]
- **Best Times to Call:** [Days and Times]

Secondary Contacts:

Insurance Adjuster:

- Name: [Name]
- Phone: [Direct Line]
- Email: [Email]
- Claim #: [Number]

Contractor (if selected):

- Name: [Name]
- Phone: [Number]
- Email: [Email]
- License #: [Number]

Attorney (if applicable):

- Name: [Name]
 - Firm: [Firm Name]
 - Phone: [Number]
 - Email: [Email]
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SECTION 15: LEGAL COMPLIANCE

This request is made pursuant to:

Applicable Laws and Regulations:

- Uniform Commercial Code (UCC) Article 9
- [State] Insurance Code § [Relevant Section]
- [State] Civil Code § [Relevant Section]
- Federal mortgage servicing regulations (if applicable)
- RESPA requirements (if applicable)

Contract Provisions:

- Deed of Trust/Mortgage Paragraph [#] - Insurance Proceeds
 - Security Agreement Section [#] - Casualty Loss
 - Loan Agreement Article [#] - Property Maintenance
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SECTION 16: REQUEST FOR RESPONSE

Please provide written response indicating:

Required Information:

1. Consent Decision:

- ☐ Consent Granted

- ☐ Consent Granted with Conditions: [List]
- ☐ Additional Information Required: [List]
- ☐ Consent Denied: [Reasons]

2. **Processing Requirements:**

- Disbursement procedures
- Inspection requirements
- Documentation needed
- Timeline for each phase

3. **Fee Schedule:**

- Administrative fees
- Inspection fees
- Other charges

4. **Contact Person:**

- Name and title
- Direct phone
- Email address
- Processing hours

SECTION 17: ALTERNATIVE DISPUTE RESOLUTION

If consent is denied or unreasonably delayed:

Escalation Process:

1. **Internal Review:** Request supervisory review within your organization
2. **Mediation:** Participate in settlement mediation
3. **Regulatory Complaint:** File with appropriate regulatory agency
4. **Legal Action:** Pursue remedies under applicable law

Borrower's Rights:

- Right to written explanation of denial
- Right to appeal decision
- Right to expedited review for time-sensitive matters

- Right to regulatory intervention if warranted
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SECTION 18: CONCLUSION

Your prompt consent to this insurance settlement is essential for:

- Protecting the collateral value
- Maintaining the security interest
- Minimizing losses and expenses
- Preserving the borrower-lender relationship

We have provided comprehensive documentation and commit to full cooperation throughout the process. Time is of the essence due to the deadlines and accumulating costs noted above.

Please contact me immediately with any questions or requirements. I am available to discuss this matter at your convenience and can provide any additional documentation needed.

Thank you for your prompt attention and cooperation in resolving this matter expeditiously.

SIGNATURES

BORROWER:

[Printed Name]

Date: [Date]

CO-BORROWER (if applicable):

[Printed Name]

Date: [Date]

NOTARIZATION

(Required in some states or by some lenders)

STATE OF [State]

COUNTY OF [County]

On this [Day] day of [Month], [Year], before me personally appeared [Name(s)], known to me to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged that he/she/they executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

My Commission Expires: [Date]

[Notary Seal]

DELIVERY CONFIRMATION

Sent via:

- ☐ Certified Mail #: [Number]
- ☐ FedEx/UPS Tracking #: [Number]
- ☐ Email to: [Email Address] on [Date]
- ☐ Fax to: [Number] on [Date]
- ☐ Hand Delivered on: [Date]

Copies to:

- ☐ Insurance Adjuster
 - ☐ Contractor
 - ☐ Attorney
 - ☐ File
-

IMPORTANT NOTES:

1. Keep copies of all correspondence
 2. Document all phone conversations
 3. Follow up if no response within 5 business days
 4. Consider certified mail for formal notices
 5. Maintain organized file of all related documents
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This document is provided as a comprehensive template. Consult with an attorney for specific legal advice related to your situation.