

Here are two sample response to lender drafts that the agent could consider when responding to a lender. One is **short/simple** for lenders who just want confirmation, and the other is **longer with disclaimers** to reduce E&O exposure:

1. Short & Simple Version (safe, minimal)

Subject: Insurance Coverage Confirmation

Dear [Lender],

This confirms that, in establishing the current policy limits, our agency utilized an industry-accepted replacement cost estimator as part of the underwriting process. The policy provides replacement cost coverage up to the limit of **\$(X)**, as shown on the declarations page.

Sincerely,

[Agent Name]

[Agency Name]

2. Expanded Version with Disclaimer (stronger E&O protection)

Subject: Insurance Coverage Confirmation

Dear [Lender],

In establishing the policy limits for [Insured Property Address], our agency utilized an industry-accepted replacement cost estimator as part of the underwriting process. The policy provides replacement cost coverage up to the stated limit of **\$(X)**, as reflected on the declarations page.

Please note that neither the agency nor the insurance company guarantees that this limit will equal the exact cost to replace the building in the event of a total loss. Actual replacement costs can be affected by future changes in labor, materials, building codes, and other factors outside our control.

For your records, I've attached the declarations page of the policy, which sets forth the coverage limit and replacement cost provision.

Sincerely,

[Agent Name]

[Agency Name]