



Fannie Mae®

Multifamily Selling and Servicing Guide

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501.04A Commercial General Liability Insurance

Requirements

You must ensure the general liability insurance coverage is at least

- \$1 million per occurrence/\$2 million general aggregate limit, plus
- excess/umbrella insurance as follows:

If the number of stories in the building is...	The minimum excess/umbrella insurance coverage is...
1 - 4	\$2 million
5 - 10	\$5 million
11 -20	\$10 million
Over 20	\$20 million

The maximum deductibles:

- apply to
 - general liability,
 - umbrella/excess liability, and
 - professional liability; and
- must be based on the Total Insurable Value of the Property insurance policy as follows:

If the Total Insurable Value is...	The maximum deductible amount per occurrence is...
Less than \$5 million	\$50,000
Equal to or greater than \$5 million, but less than \$50 million	\$100,000
Equal to or greater than \$50 million, but less than \$100 million	\$150,000
Equal to or greater than \$100 million	\$275,000



→ Guidance

You may satisfy the insurance coverage requirements:

- with any combination of primary liability insurance and excess/umbrella insurance coverage, provided the aggregate coverage meets the required minimum limits; and
- for excess/umbrella insurance, when the coverage limit meets the requirement for the location with the most stories.

You should ensure that any liability policy does not contain exclusions for normal coverage that are normal and customary in the standard liability form, such as

- assault and battery,
- animal attacks, and
- firearms, etc.

The maximum deductible amount, per occurrence, is the combined deductible for both the

- underlying general or professional liability, and
- excess/umbrella liability.

For example, if the Total Insurable Value is \$45 million, then the maximum deductible is \$100,000 combined for the underlying liability and excess/umbrella liability in any combination (e.g., \$75,000 deductible/self-insured retention on the general liability and \$25,000 on the excess/umbrella liability).



Glossary

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Property	<p>Multifamily residential real estate securing the Mortgage Loan, including the</p> <ul style="list-style-type: none">• fee simple or Leasehold interest,• Improvements, and• personal property (per the Uniform Commercial Code). <p>Synonyms</p> <ul style="list-style-type: none">• Properties• Property's
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Total Insurable Value	<p>For any Property, the sum of the full value of the insured's:</p> <ul style="list-style-type: none">• covered Property;• Property-related business income values; and• any other covered Property interests. <p>Synonyms</p> <ul style="list-style-type: none">• Total Insurable Values
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