

**DATE:** [Insert Date]

**LOAN NUMBER:** [Insert Loan Number]

**PROPERTY ADDRESS:** [Insert Property Address]

**SUBJECT: NOTICE OF PLACEMENT OF HAZARD INSURANCE**

Dear [Borrower Name],

Our records indicate that the hazard insurance policy for the property listed above has expired, been cancelled, or provides insufficient coverage. As required by your mortgage agreement, you are obligated to maintain active hazard insurance on the property at all times.

Because we have not received proof of valid insurance coverage, we have purchased a temporary insurance policy to protect the property. This is known as "Force-Placed Insurance."

**Please be advised of the following:**

- **Cost:** The annual premium for this policy is \$[Amount]. This cost will be charged to your escrow account or added to your loan balance.
- **Limited Coverage:** This policy protects our interest in the property. It may not cover your personal belongings, liability, or provide the same level of protection as a policy you purchase yourself.
- **Higher Premium:** Force-placed insurance is typically more expensive than insurance you can obtain on the open market.

**How to cancel this policy:**

We will cancel this insurance if you provide us with proof of your own hazard insurance. To do so, please send a copy of your insurance policy declarations page to:

[Lender Name]  
[Insurance Processing Department Address]  
[City, State, Zip Code]  
[Fax Number/Email if applicable]

Once we receive and verify your proof of insurance, we will cancel the force-placed policy and refund any unearned premiums that were charged to your account.

If you have any questions, please contact our Customer Service Department at [Phone Number].

Sincerely,

[Lender Name]  
[Department Name]