

HOMEOWNERS INSURANCE ALERT AND DISCLOSURE

Copy and paste this text on to your company letterhead.

The insurance industry is facing a homeowner's insurance crisis. A home that is covered by homeowners insurance today may not be insurable from the same insurance company or any other insurance company at the close of escrow. If an insurance company does offer coverage it may not be at the same premium or terms as the expiring premium and/or the coverage provided by the insurance policy may not be the same as the expiring policy.

Most insurance companies offering homeowners insurance are using the services of the **Comprehensive Loss Underwriting Exchange** or **CLUE** report. This report is being used in underwriting not only the specific property but also the buyer of the property. Insurers may deem the buyer or the property uninsurable based on the information in this report, or other underwriting guidelines.

Buyer(s) are advised not to assume that the property is insurable or that the premium that the seller is paying for homeowners insurance will be the premium that the new buyer will be paying. As early as possible in the transaction, the buyer is advised to seek homeowner's insurance coverage on the home to be purchased.

Real Estate Agents and Brokers are not qualified to advise on any type of insurance. Buyer(s) acknowledge that they have been informed that it is their responsibility to obtain homeowners insurance on the home they are purchasing and that they have not relied on any representations, express or implied, made by the real estate agents or brokers as to the availability of homeowners insurance coverage.

Dated: _____ (Buyer) _____

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Buyers acknowledge receipt of a copy of this document (____)(____) Initials