

Important insurance exclusions affecting Freddie Mac loans

Insurance companies are increasingly excluding coverage for incidents like assault and battery and sexual abuse from commercial general liability policies. However, Freddie Mac's latest guidelines outline that they will not accept policies with these exclusions unless specifically approved, which may be unlikely.

If you have a current loan with Freddie Mac or are working with a lender that may sell a new loan to them, it's important to stay informed about these requirements. Effective immediately for new loans and at policy renewal for existing loans, Freddie Mac will not accept general liability or umbrella/excess liability policies that exclude coverage for:

- Sexual Abuse
- Assault and Battery
- Firearms
- Animal Attacks

To ensure compliance with your current or future Freddie Mac loan, follow these steps:

- Conduct a thorough audit of your policies.
- Work with your broker to ensure compliance.
- Consider a new liability policy or endorsement.

Marsh McLennan's Healthcare Practice team works with healthcare organizations of all kinds to optimize risk management strategies. Starting with a free insurance audit, we ensure organizations' policies are in compliance and optimized for their unique needs.



Michael Hummel, RPLU, of Marsh McLennan Agency works with healthcare organizations, FQHCs, senior care facilities and nonprofits across the Northwest. To connect with Michael, please email Michael.Hummel@MarshMMA.com or call 509-853-4234.

