

## Over Insurance Statutes by State

State	Statute	Statutory Wording
Alabama		
Alaska	AS 21.60.010	<p><b>Over-Insurance Prohibited.</b></p> <p>(a) Over-insurance shall be considered to exist if property or an insurable interest in property is insured by one or more insurance contracts against the same hazard in an amount in excess of the fair value of the property or of the interest, as determined on the effective date of the insurance or the renewal of it.</p> <p>(b) In this section the term "fair value" means the cost of replacement less depreciation that is properly applicable to the subject insured.</p> <p>(c) A person may not knowingly issue, place, procure, or accept an insurance contract that would result in over-insurance of the property or interest in the property proposed to be insured, except as provided in AS <a href="#">21.60.020</a> .</p> <p>(d) Each violation of this section shall subject the violator to the penalties provided in AS <a href="#">21.90.020</a> .</p>
Arizona	6-909 (Banking Law)	<p><b>Prohibited Acts</b></p> <p>P. A mortgage broker shall not require a person seeking a loan secured by real property to obtain property insurance coverage in an amount that exceeds the replacement cost of the improvements as established by the property insurer.</p>
	44-1208	<p>44-1208. <u>Loans secured by real estate; prohibited practices; insurance</u></p> <p>Except for consumer lender loans regulated pursuant to section 6-636, for any loan that is secured by real property, a person shall not require as a condition of the loan that the borrower obtain property insurance coverage in an amount that exceeds the replacement cost of the improvements as established by the property insurer.</p>
Arkansas	23-32-206 Banking Code	<p>(a) A savings and loan association, financial institution, national bank, mortgage company, or any public or private mortgagee doing business in this state, when making a mortgage loan, may not require as a condition or term of the mortgage that the mortgagor purchase casualty insurance on property which is the subject of the mortgage in an amount in excess of the fair market value of the buildings or appurtenances on the mortgaged premises.</p>
California	Civil Code Section 2955.5	<p>(a) No lender shall require a borrower, as a condition of receiving or maintaining a loan secured by real property, to provide hazard insurance coverage against risks to the improvements on that real property in an amount exceeding the replacement value of the improvements on the property.</p> <p>(b) A lender shall disclose to a borrower, in writing, the contents of subdivision (a), as soon as practicable, but before execution of any note or security documents.</p> <p>(c) Any person harmed by a violation of this section shall be entitled to obtain injunctive relief and may recover damages and reasonable attorney's fees and costs.</p>

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		<p>(d) A violation of this section does not affect the validity of the loan, note secured by a deed of trust, mortgage, or deed of trust.</p> <p>(e) For purposes of this section:</p> <p>(1) "Hazard insurance coverage" means insurance against losses caused by perils which are commonly covered in policies described as a "Homeowner's Policy," "General Property Form," "Guaranteed Replacement Cost Insurance," "Special Building Form," "Standard Fire," "Standard Fire with Extended Coverage," "Standard Fire with Special Form Endorsement," or comparable insurance coverage to protect the real property against loss or damage from fire and other perils covered within the scope of a standard extended coverage endorsement.</p> <p>(2) "Improvements" means buildings or structures attached to the real property.</p>
<b>Colorado</b>	C.R.S. 10-4-114	<p>Requirements on hazard insurance coverage for loans secured by real property</p> <p>(1) No lender shall require a borrower under a loan secured by real property to provide hazard insurance coverage on that property in an amount exceeding the <b>replacement</b> value of the improvements on the property.</p> <p>(2) Any person harmed by a violation of this section shall be entitled to obtain injunctive relief and may recover damages and reasonable attorney fees and costs.</p> <p>(3) A violation of this section does not affect the validity of the loan or the mortgage or deed of trust.</p>
<b>Connecticut</b>	36a-757 (Banking law) (36a, Chapter 669, Part X, 36a-757)	<p><b>Mortgage insurance requirements limited.</b></p> <p>No mortgage lender shall, in connection with any application for a mortgage loan in this state which is secured by mortgage on residential real estate located in this state, require any prospective mortgagor to obtain by purchase or otherwise a fire insurance policy, flood insurance policy, other extended coverage policy, or any combination thereof, in excess of the replacement value of the covered premises as a condition for the granting of such mortgage.</p>
<b>Delaware</b>	5-2418 (Banking law)	<p><b>Prohibited Acts and Practices</b></p> <p>It is a violation of this chapter for a person subject to this chapter to:</p> <p>(13) Cause or require a borrower to obtain property insurance coverage in an amount that exceeds the replacement cost of the improvements as established by the property insurer;</p>
<b>Florida</b>	626.621 (7)	<p><b>Grounds for discretionary refusal, suspension, or revocation of agent's, adjuster's, customer representative's, service representative's, or managing general agent's license or appointment.</b></p> <p>The department may, in its discretion, deny an application for, suspend, revoke, or refuse to renew or continue the license or appointment of any applicant, agent, adjuster, customer representative, service representative, or managing general agent, and it may suspend or revoke the eligibility to hold a license or appointment of any such person, if it finds that as to the applicant, licensee, or appointee</p>

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	690-167.009	<p>any one or more of the following applicable grounds exist under circumstances for which such denial, suspension, revocation, or refusal is not mandatory under s. <a href="#">626.611</a>:</p> <p>(7) Willful overinsurance of any property or health insurance risk.</p> <p>Mortgage Fire Insurance Requirements Limited                      No mortgage lender shall, in connection with any application for a mortgage loan in this state which is secured by a mortgage on residential real estate located in this state, require any prospective mortgagor to obtain by purchase or otherwise a fire insurance policy in excess of the replacement value of the covered premises as a condition for granting such a mortgage.</p>
<b>Georgia</b>	33-6-5(6)(A)	<p>(6)(A) No person shall knowingly collect any sum as premium or charge for insurance, which insurance is not then provided or not in due course to be provided subject to acceptance of the risk by the insurer by an insurance policy issued by an insurer as permitted by this title.                      (This is an indirect reference to over insurance. According to a June 26, 1998 directive, the wording of this statute prohibits over insurance because the carrier cannot collect premium for property not covered – such as land.)</p>
<b>Hawaii</b>	431:10E-102	<p><b>Over-insurance prohibited; exceptions.</b> (a) Over-insurance shall be deemed to exist if property or an insurable interest in the property is insured by one or more insurance contracts against the same hazard in any amount in excess of the actual cash value of the property or of such interest, as determined as of the effective date of the insurance or of any renewal thereof.                      (b) For the purposes of this section only, the term actual cash value means the cost of replacement less such depreciation as is properly applicable to the subject insured.                      (c) No person shall knowingly sell, solicit, negotiate, or make any contract for insurance which would result in over-insurance of the property or interest therein proposed to be insured, except as is provided in section 431:10E-103.                      (d) Each violation of this section shall subject the violator to the penalties provided by this code. [L 1987, c 347, pt of §2; am L 2002, c 155, §74]</p>
<b>Idaho</b>		
<b>Illinois</b>	765 ILCS 930/17 (Property Law)	<p>Sec. 17. Insurance coverage.                      (a) No lender shall require a borrower, as a condition of receiving or maintaining a loan secured by real property, to provide hazard insurance coverage against risks to the improvements on that real property in an amount exceeding the replacement value of the improvements on the property.                      (b) Any person harmed by a violation of this Section shall be entitled to obtain injunctive relief and may recover damages and reasonable attorney's fees and costs.</p>

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		(c) A violation of this Section does not affect the validity of the loan, note secured by a deed of trust, mortgage, or deed of trust.
<b>Indiana</b>		
<b>Iowa</b>	IA Code § 535D.17 (2019)	<p><b>535D.17 Prohibited acts and practices.</b></p> <p>It is a violation of this chapter for a person or individual subject to this chapter to engage in any of the following activities:</p> <p>13. Cause or require a borrower to obtain property insurance coverage in an amount that exceeds the replacement cost of the improvements as established by the property insurer.</p> <p><a href="https://law.justia.com/codes/iowa/2019/title-xiii/chapter-535d/section-535d-17/">https://law.justia.com/codes/iowa/2019/title-xiii/chapter-535d/section-535d-17/</a></p>
<b>Kansas</b>	<b>40-905.</b>	<p><b>Statement of value in policy; evidence of ownership of property; exceptions.</b> (a) (1) Whenever any policy of insurance or an increase in the amount of coverage in an existing policy of insurance shall be written to insure any improvements upon real property in this state against loss by fire, tornado, windstorm or lightning, and the property insured shall be wholly destroyed, without criminal fault on the part of the insured or the insured's assigns, the amount of insurance written in such policy shall be taken conclusively to be the true value of the property insured, and the true amount of loss and measure of damages, and the payment of money as a premium for insurance shall be prima facie evidence that the party paying for such insurance is the owner of the property insured.</p> <p>(2) Improvements on real property shall not be required to be insured for more than the reasonably estimated replacement cost of such improvements. Nothing herein shall prohibit a policy or endorsement to a policy as described in this subsection from containing an inflation guard provision or similar provision. Nothing in this section shall be deemed to create a private cause of action. For the purposes of this paragraph, "improvements on real property" means a fixture, building or other structure attached to real property and intended as a permanent addition to such real property.</p> <p>(b) The provisions of subsection (a) shall not apply to:</p> <p>(1) New policies of fire insurance or existing policies of fire insurance where there has been an increase in the amount of coverage of 25% or more, until such policies have been in effect for at least 60 days. If there is a total loss by fire within the sixty-day period and the insurer pays less than the face value of the policy, the insurer shall refund the difference in premium between the amount of insurance purchased and the premium applicable for the amount of the loss actually paid. This paragraph shall not apply to a loss by fire caused by lightning.</p> <p>(2) Builder's risk policies of insurance covering property in the process of being constructed. The value of the property insured shall be the actual value of the property at the time of the loss.</p>
<b>Kentucky</b>	304.20-260 Maximum coverage for loss or damage to structure.	After July 15, 1986, no insurer shall deliver, issue for delivery or renew any policy or policies providing coverage for loss or damage to a structure located in this Commonwealth for an amount greater than one hundred percent (100%) of the replacement cost of the structure. For the purpose of this section,

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		"structure" means any dwelling, building or fixture permanently affixed to realty, but does not include land, trees, plants or crops.
<b>Louisiana</b>	Title 9 9.3543	<p>Property insurance</p> <p>A. An extender of credit may, in addition, request or require a consumer to insure property, all or part of which is involved in a contract or agreement, made under the authority of this Chapter, and include the cost of the insurance as a separate charge in the contract or agreement. The property shall be described so as to readily identify it and such description shall be included as part of the contract or agreement. This insurance and the premiums or charges thereon shall bear a reasonable relationship to the amount, term, and conditions of the contract or agreement, and to the existing hazards or risk of loss, damage, or destruction. This insurance and the premiums or charges thereon shall also bear a reasonable relationship to the character and value of the property insured or to be insured, when, in the event of loss, such insurance policy does not pay off the entire balance of the loan. Such insurance shall not provide for unusual or exceptional risks or coverages which are not ordinarily included in policies issued to the general public.</p> <p>B. Where a consumer fails to maintain required property insurance or fails to provide the creditor with timely notice of the purchase or renewal of such insurance coverage, the creditor may, after notice to the consumer and expiration of a fifteen day curative period from the mailing of said notice, purchase insurance on the customer's property, including insurance protecting only the creditor's interest in such property. Such insurance premiums may be added to the outstanding balance of the customer's indebtedness and made subject to additional loan finance charges or credit service charges at the rate previously agreed to by the consumer.</p>
<b>Maine</b>	33:9:503. Property insurance	No person or financial institution making a residential mortgage loan for one to 4 residential units may, as a condition of the mortgage or as a term of the mortgage deed, require that the mortgagor carry property insurance on the property which is the subject of the mortgage in excess of the replacement cost of any buildings or appurtenances subject to the mortgage.
<b>Maryland</b>	12-124. Property insurance coverage	<p>(a) In general.-</p> <p>(1) (i) In this section the following words have the meanings indicated</p> <p>(ii) "Property insurance coverage" means property insurance against losses caused by perils that commonly are covered in insurance policies described with terms similar to "standard fire" or "standard fire with extended coverage".</p> <p>(iii) "Flood insurance coverage" means flood insurance against losses caused by flooding that are covered under a policy issued under the National Flood Insurance Act by:</p> <ol style="list-style-type: none"> <li>1. The federal government; or</li> <li>2. An insurer.</li> </ol>

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		<p>(2) A lender may not require a borrower, as a condition to receiving or maintaining a loan secured by a first mortgage or first deed of trust, to provide or purchase property insurance coverage against risks to any improvements on any real property in an amount exceeding the replacement value of the improvements on the real property.</p> <p>(3) A lender may not require a borrower, as a condition to receiving or maintaining a loan secured by a first mortgage or first deed of trust, to provide or purchase flood insurance coverage in an amount exceeding the replacement value of the improvements on the real property.</p> <p>(4) In determining the replacement value of the improvements on any real property, the lender may:</p> <ul style="list-style-type: none"> <li>(i) Accept the value placed on the improvements by the insurer; or</li> <li>(ii) Use the value placed on the improvements that is determined by the lender's appraisal of the real property.</li> </ul> <p>(5) A lender may not require that the insurance be purchased through a particular insurance producer or insurance company.</p> <p>(b) Violations of section.-</p> <p>(1) A violation of this section shall entitle the borrower to:</p> <ul style="list-style-type: none"> <li>(i) Seek an injunction to prohibit the lender who has engaged or is engaging in the violation from continuing or engaging in the violation; (ii) Reasonable attorney's fees; and (iii) Damages directly resulting from the violation.</li> </ul> <p>(2) A violation of this section does not affect the validity of the first mortgage or first deed of trust securing the loan.</p>
<b>Massachusetts</b>	Part II Title I Chapter 183 Section 66	<p>A bank, lending institution, mortgage company or any mortgagee doing business in the commonwealth, when making a mortgage loan, shall not require, as a condition of a mortgage or as a term of a mortgage deed, that the mortgagor purchase casualty insurance on property which is the subject of the mortgage in an amount in excess of the replacement cost of the buildings or appurtenances on the mortgaged premises.</p> <p>For purposes of this section, a bank, lending institution, mortgage company or mortgagee shall include, but not be limited to, any bank as defined in section one of chapter one hundred and sixty-seven, any national bank, national banking association, federal savings bank, federal savings and loan association and federal credit union. The terms "replacement cost", "buildings" or "appurtenances" as used in this section shall be consistent in meaning with such terms as used in policy forms approved by the commissioner of insurance.</p> <p>A lender shall not finance, directly or indirectly, any credit life, credit disability, credit unemployment insurance, credit property insurance, including debt cancellation or suspension agreements, or any other life or health insurance premium through a home mortgage loan. Premiums on insurance</p>

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		calculated and payable on a monthly basis by the borrower shall not be considered financed by the lender.
<b>Michigan</b>	Act 135 of 1977 Mortgage Lending Practices 445.1602a	<p>Sec. 2a. (1) Except as provided in subsection (2), a credit granting institution that requires a mortgagor to maintain property/casualty insurance as a condition to receiving a mortgage loan shall not require the amount of the property/casualty insurance to be greater than the replacement cost of the mortgaged building or buildings.</p> <p>(2) A credit granting institution may require an amount of property/casualty insurance that is required of the credit granting institution as a condition of a sale, transfer, or assignment of all or part of the mortgage to a third party. This subsection does not require that the credit granting institution anticipate a sale, transfer, or assignment at the time the mortgage loan is made.</p>
<b>Minnesota</b>	65A.09 Insurance In Excess Of Replacement Cost.	<p>Subdivision 1. <b>Insurance limited.</b> No company shall knowingly issue any policy upon property in this state for an amount which, together with any existing insurance thereon, exceeds the replacement cost of the buildings and any other covered improvements on the property. Any company willfully insuring property for more than that amount shall forfeit to the state, for the benefit of the school fund, double the premium collected on the policy.</p> <p>Subd. 2. <b>Lenders; excess insurance.</b> No mortgage company, bank, savings association, finance company, or other mortgage lender of any kind may require insurance coverage in violation of section 72A.31, subdivision 1, clause (4). Any lender that willfully violates this subdivision is subject to penalties available under chapter 45.</p>
	72a.31 Certain Acts Deemed Unfair Method Of Competition.	<p>Subdivision 1. <b>Real and personal property financing; prohibited acts by businesses.</b> No person, firm or corporation engaged in the business of financing the purchase of real or personal property or of lending money on the security of real or personal property or who acts as agent or broker for one who purchases real property and borrows money on the security thereof, and no trustee, director, officer, agent or other employee of any such person, firm, or corporation shall directly or indirectly: (1) require, as a condition precedent to such purchase or financing the purchase of such property or to loaning money upon the security of a mortgage thereon, or as a condition prerequisite for the renewal or extension of any such loan or mortgage or for the performance of any other act in connection therewith, that the person, firm or corporation making such purchase or for whom such purchase is to be financed or to whom the money is to be loaned or for whom such extension, renewal or other act is to be granted or performed negotiate any policy of insurance or renewal thereof covering such property through a particular agent, or insurer, or</p>

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		<p>(2) refuse to accept any policy of insurance covering such property because it was not negotiated through or with any particular agent, or insurer, or</p> <p>(3) refuse to accept any policy of insurance covering the property issued by an insurer that is a member insurer as defined by section 60C.03, subdivision 6, or</p> <p>(4) require any policy of insurance covering the property to exceed the replacement cost of the buildings on the mortgaged premises.</p> <p>This section shall not prevent the disapproval of the insurer or a policy of insurance by any such person, firm, corporation, trustee, director, officer, agent or employee where there are reasonable grounds for believing that the insurer is insolvent or that such insurance is unsatisfactory as to placement with an unauthorized insurer, adequacy of the coverage, adequacy of the insurer to assume the risk to be insured, the assessment features to which the policy is subject, or other grounds which are based on the nature of the coverage and which are not arbitrary, unreasonable or discriminatory, nor shall this section prevent a mortgage lender or mortgage servicer from requiring that a policy of insurance or renewal thereof be in conformance with standards of the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, nor shall this section forbid the securing of insurance or a renewal thereof at the request of the borrower or because of the borrower's failure to furnish the necessary insurance or renewal thereof. For purposes of this section, "insurer" includes a township mutual fire insurance company operating under sections 67A.01 to 67A.26.</p> <p>Upon notice of any such disapproval of or refusal to accept an insurer or a policy of insurance, the commissioner may order the approval of the insurer or the acceptance of the tendered policy of insurance, or both, if the commissioner determines such disapproval or refusal to accept is not in accordance with the foregoing requirements. Failure to comply with such an order of the commissioner of commerce shall be deemed a violation of this section.</p>
<b>Mississippi</b>	83-13-5 - Amount of insurance	<p>No insurance company shall knowingly issue any fire insurance policy upon property within this state for an amount which, together with any existing insurance thereon, exceeds a fair value of the property, nor for a longer term than five (5) years. When buildings and structures are insured against loss by fire and, situated within this state, are totally destroyed by fire, the company shall not be permitted to deny that the buildings or structures insured were worth at the time of the issuance of the policy the full value upon which the insurance is calculated, and the measure of damages shall be the amount for which the buildings and structures were insured. No insurance company or agent thereof shall be permitted to attach a three-quarter value clause to insurance of this kind, and any fire insurance company or agent thereof who violates this section shall be guilty of a misdemeanor and shall, upon conviction, be fined not less than Two Hundred Dollars (\$ 200.00) nor more than One Thousand Dollars (\$ 1,000.00) for each offense.</p>

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<b>Missouri</b>	375.937.2(6)	<p>2. No person who lends money or extends credit may:</p> <p>(6) As a condition of financing a residential mortgage or providing other financial arrangements for residential property, require a borrower to purchase homeowners' insurance coverage in an amount exceeding the replacement value of the improvements and contents on the real property. A violation of this subdivision shall not affect the validity of the loan, note secured by a deed of trust, mortgage, or deed of trust.</p>
<b>Montana</b>	32-1-430	<p>(1) A bank in this state has the same authority to make loans upon real estate that is given by acts of congress or the federal reserve system to national banks or bank members of the federal reserve system.</p> <p>(2) A bank that is subject to this section may not require a borrower, as a condition of obtaining or maintaining a loan secured by real property, to provide insurance on improvements to real property in an amount that exceeds the reasonable replacement value of the improvements</p>
	32-3-604  (32-10-401 was Repealed)	<p>(1) In addition to generally accepted types of security, the endorsement of a note by a surety, comaker, or guarantor or pledge of shares, in a manner consistent with the laws of this state, must be considered security within the meaning of this chapter. The adequacy of any security is subject to the lending policies established by the board of directors.</p> <p>(2) A credit union that is subject to the provisions of this part may not require a borrower, as a condition of obtaining or maintaining a loan secured by real property, to provide insurance on improvements to real property in an amount that exceeds the reasonable replacement value of the improvements.</p>
<b>Nebraska</b>	44-603	<p><b>Over-insurance; penalties.</b></p> <p>Every insurer who makes insurance upon any building or property or interest therein against loss or damage by fire, and every agent who issues a fire insurance policy covering any building or property or interest therein, and every insured who procures a policy of fire insurance upon any building or property or interest therein owned by him, is presumed to know the insurable value of such building or property or interest therein at the time such insurance is effected. Any insurer who knowingly makes insurance on any building or property or interest therein against loss or damage by fire in excess of the insurable value thereof, shall be fined in a sum not less than fifty dollars nor more than one hundred dollars. Any agent who knowingly effects insurance on a building or property or interest therein in excess of the insurable value thereof shall be fined in a sum not less than fifteen nor more than twenty-five dollars.</p>



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	(In Rules and Regs not statute)	No mortgage banker or exempt organization shall require any mortgagor, in connection with the granting of a mortgage loan, to obtain a hazard insurance policy in excess of the replacement cost of the improvements on the property as a condition for the granting of such mortgage loan.
North Carolina	58-43-5	<p><b>Limitation as to amount and term; indemnity contracts for difference in actual value and cost of replacement; functional replacement.</b></p> <p>No insurance company or agent shall knowingly issue any fire insurance policy upon property within this State for an amount which, together with any existing insurance thereon, exceeds the fair value of the property, nor for a longer term than seven years: Provided, any fire insurance company authorized to transact business in this State may, by appropriate riders or endorsements or otherwise, provide insurance indemnifying the insured for the difference between the actual value of the insured property at the time any loss or damage occurs, and the amount actually expended to repair, rebuild or replace on the premises described in the policy, or some other location within the State of North Carolina with new materials of like size, kind and quality, property that has been damaged or destroyed by fire or other perils insured against: Provided further, that the Commissioner may approve forms that permit functional replacement by the insurance company, at the insured's option. Functional replacement means to replace the property with property that performs the same function when replacement with materials of like size, kind, and quality is not possible, necessary, or less costly than obsolete, antique, or custom construction materials and methods. Forms and rating plans may also provide for credits when functional replacement cost coverage is provided. Policies issued in violation of this section are binding upon the company issuing them, but the company is liable for the forfeitures by law prescribed for such violation.</p>
	58-63-15(13)	<p><b>Unfair methods of competition and unfair or deceptive acts or practices defined</b></p> <p>(13) Overinsurance in Credit or Loan Transactions. - In connection with a loan or extension of credit secured by real or personal property or both, requiring the applicant to procure property and casualty insurance against any one risk which results in coverage which exceeds the replacement value of the secured property at the time of the loan or extension of credit. In connection with a secured or unsecured loan or extension of credit, requiring the applicant to procure life or health insurance against any one risk which exceeds the amount of the loan. In connection with a loan secured by both real and personal property, requiring credit property insurance, as defined in G.S. 58-57-90, on the personal property. For the purposes of this subsection "amount of loan" shall be deemed to be the amount of principal and accrued interest to be paid by the debtor including other allowable charges.</p>
North Dakota		
Ohio		
Oklahoma		



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		insurance stated in the contract. If two or more policies are written upon the same property, they are considered to be contributive insurance, and, if the aggregate sum of all such insurance exceeds the insurable value of the property, as agreed by the insurer and the insured, each insurer, in the event of a total or partial loss, is liable for its pro rata share of insurance. This section does not apply to insurance on chattels or personal property.
<b>South Dakota</b>		
<b>Tennessee</b>	56-7-801	<p><b>(a)</b> Within ninety (90) days after making or writing any contract of fire insurance on any building or structure in this state, the company, its designee or agent, shall cause the building or structure to be inspected.</p> <p><b>(b)</b> No company, agent or insurance producer shall knowingly issue, negotiate, continue or renew, or cause or permit to be issued, negotiated, continued or renewed any fire insurance policy upon property or interests in the property within this state of an amount that, with any existing insurance on the property, exceeds the fair value of the property</p>
<b>Texas</b>	Finance Code Title 3. Financial Institutions And Businesses Subtitle E. Other Financial Businesses Chapter 180. Residential Mortgage Loan Originators	<p>Sec. 180.153. PROHIBITED ACTS AND PRACTICES. An individual or other person subject to regulation under this chapter may not:</p> <p>(15) cause or require a borrower to obtain property insurance coverage in an amount that exceeds the <b>replacement cost</b> of the improvements as established by the property insurer</p>
<b>Utah</b>		
<b>Vermont</b>	8 V.S.A. § 2241	<p><b>Prohibited acts and practices</b></p> <p>It is a violation of this chapter for a person or individual to:</p> <p>(13) cause or require a borrower to obtain property insurance coverage in an amount that exceeds the replacement cost of the improvements as established by the property insurer;</p>
<b>Virginia</b>	6.2-412 (Banking Law)	<p>A. As used in this section:</p> <p>"Flood insurance coverage" means insurance against loss or damage to any property caused by flooding or the rising of the waters of the ocean or its tributaries.</p> <p>"Property insurance coverage" means insurance against losses or damages caused by perils that commonly are covered in insurance policies described with terms similar to "standard fire" or "standard fire with extended coverage."</p> <p>B. No lender shall require a borrower, as a condition to receiving or maintaining a loan secured by any mortgage or deed of trust, to provide or purchase property insurance coverage or flood insurance</p>

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		<p>coverage against risks to any improvements on any real property in an amount exceeding the replacement value of the improvements on the real property.</p> <p>C. In determining the replacement value of the improvements on any real property, the lender may:</p> <ol style="list-style-type: none"> <li>1. Accept the value placed on the improvements by the insurer; or</li> <li>2. Use the value placed on the improvements that is determined by the lender's appraisal of the real property.</li> </ol> <p>D. A violation of this section shall not affect the validity of the mortgage or deed of trust securing the loan.</p>
<b>Washington</b>	RCW 48.27.10	<p><b>Over-insurance prohibited.</b></p> <p>(1) Over-insurance shall be deemed to exist if property or an insurable interest therein is insured by one or more insurance contracts against the same hazard in any amount in excess of the fair value of the property or of such interest, as determined as of the effective date of the insurance or of any renewal thereof, or in those instances when insured value is for improvements and land.</p> <p>(2) For the purposes of this section only the term "fair value" means the cost of replacement less such depreciation as is properly applicable to the subject insured.</p> <p>(3) No person shall knowingly require, request, issue, place, procure, or accept any insurance contract which would result in over-insurance of the property or interest therein proposed to be insured, except as is provided in RCW <a href="#">48.27.020</a>.</p> <p>(4) No person shall compel an insured or applicant for insurance to procure property insurance in an amount in excess of the amount which could reasonably be expected to be paid under the policy (or combination of policies) in the event of a loss, whether such insurance is required in connection with a loan or otherwise.</p> <p>(5) Each violation of this section shall subject the violator to the penalties provided by this code.</p>
<b>West Virginia</b>	31-17A-16	<p>Prohibited acts and practices</p> <p>It is a violation of this article for a person or individual subject to this article to:</p> <p>(13) Cause or require a borrower to obtain property insurance coverage in an amount that exceeds the replacement cost of the improvements as established by the property insurer.</p>
<b>Wisconsin</b>	632.07	<p><b>Prohibiting requiring property insurance in excess of replacement value.</b> A lender may not require a borrower, as a condition of receiving or maintaining a loan secured by real property, to insure the property against risks to improvements on the real property in an amount that exceeds the replacement value or market value of the improvements, whichever is greater.</p>
<b>Wyoming</b>	26-23-101.	<p><b>Overinsurance prohibited.</b></p> <p>(a) No person shall buy insurance on property within this state for an amount which, together with any existing insurance, exceeds the fair value of the property or of the interest of the insured therein. This provision does not apply as to insurance of replacement value.</p>

## Over Insurance Statutes by State

State	Statute	Statutory Wording
		(b) Anyone who willfully violates this section is subject to the penalties provided in W.S. 26-1-107.