

## Local Rules of the United States Bankruptcy Court for the Western District of Missouri

### Rule 4070-1. Insurance

**A. Debtor-in-Possession.** Unless otherwise ordered, debtors-in-possession in any Chapter shall insure all estate assets against physical damage and loss with policy limits covering asset values stated in debtor's schedules; maintain liability coverage for operations and businesses; and as appropriate or customary for the industry, maintain additional types of insurance (e.g. workers compensation, products liability, or professional liability). In the case of a motor vehicle, absent agreement between the debtor and the lienholder, the debtor shall prepay at least three months of insurance on the vehicle; the collision and comprehensive deductible shall not exceed five hundred dollars (\$500) and the insurance policy shall name the lienholder as a loss payee.

**B. Proof of Insurance.** Upon request of an interested party, trustee or United States Trustee, debtor shall provide proof of insurance, which shall include a certificate of insurance, binder, or other document from the carrier stating amounts, types and period of coverage, and notation of any secured party as loss payee. Failure to provide proof presumes no insurance is in effect.

**C. Noncompliance.** Failure to maintain insurance as required herein or to produce proof of insurance shall be grounds for dismissal or conversion, or relief from the automatic stay.

**D. Motor Vehicles.** For a motor vehicle retained by debtor and subject to a creditor's allowed secured claim (including a mobile home or trailer designed for or capable of travel on public roads) in addition to requirements stated in Paragraphs A, B and C, if debtor fails to provide proof of insurance or for any reason insurance lapses or terminates, debtor is enjoined from using the vehicle so long as it is uninsured and the following apply:

1. The secured creditor shall serve debtor, personally or by mail, at the address in the bankruptcy petition, and debtor's attorney, written notice of the lapse or termination of insurance.
2. Failure of the debtor to provide the creditor proof of insurance within three business days after service of the notice in subsection (1), shall constitute prima facie evidence of irreparable injury, loss or damage pursuant to § 362(f) and Fed. R. Bankr. P. 4001(a)(2)(A).

**E. Motor Vehicle; When Lien is Disputed.** If a lien on a motor vehicle is disputed or the subject of a trustee's complaint to avoid lien and the debtor retains possession of the vehicle, the debtor is responsible for insuring the vehicle until such time as the lien issue is decided by the Court or until the vehicle is turned over to the trustee or alleged secured creditor. If the debtor fails to provide proof of insurance to the trustee, the trustee may take such action as necessary to protect the vehicle and estate.

**F. Motor Vehicle; Defined.** For purposes of this Rule, the term Motor Vehicle shall include an automobile, truck, recreational vehicle, all terrain vehicle, motorcycle, trailer, mobile home designed for or capable of transport on public roads, airplane, and motorized boat.