

**POLICY REGARDING INSURANCE PROCEEDS**  
**CONSTITUTING CASH COLLATERAL IN CHAPTER 13 CASES**

Insurance proceeds constituting cash collateral which are received by the Chapter 13 Trustee will be processed by the Chapter 13 Trustee according to the below provisions:

1. Where the insurance proceeds are less than the payoff amount of the secured portion of a creditor's claim, the Chapter 13 Trustee will accept the insurance proceeds without motion and order. The Trustee will disburse the insurance proceeds to the secured creditor. The Trustee will cease all further distribution on the secured portion of the claim.
2. Where the insurance proceeds are more than the payoff amount of the secured claim and the movable or personal property collateral is not subject to 11 U.S.C. §506, the Chapter 13 Trustee will accept the insurance proceeds without motion and order. The Trustee will then fully pay the balance of the secured creditor's claim as shown on the Trustee's website. Any remaining proceeds that are exempt may be paid to the Debtor(s) or will be the subject of an appropriate motion filed by the Chapter 13 Trustee or Debtor(s). Any remaining proceeds will be the subject of an appropriate motion filed by the Chapter 13 Trustee or Debtor(s).
3. Where the insurance proceeds are more than the secured portion of a creditor's claim and the movable or personal property collateral is subject to 11 U.S.C. §506, the Chapter 13 Trustee will accept the insurance proceeds without motion and order. The Chapter 13 Trustee will fully pay the secured portion of the creditor's bifurcated claim. Any remaining proceeds may be the subject of an appropriate motion filed by the Chapter 13 Trustee or Debtor(s).
4. The disposition of insurance proceeds on immovable or real property should be the subject of an appropriate motion filed with the Court.
5. Payoff amounts shall be presumed to be the amounts shown on the Chapter 13 Trustee's 13 Network website.
6. This policy does not preclude the debtor(s) from filing a Motion for Substitution of Collateral or to seek other relief.
7. The Chapter 13 Trustee may seek an Ex-Parte Order regarding distributions to any secured creditor affected by this policy at any time.
8. This policy does not require the Chapter 13 Trustee to administer insurance proceeds. The Chapter 13 Trustee may deviate from this policy by appropriate motion.