Are you as smart as you think you are?

Personal Residential (HO/Condo)

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TOWER GROUP COMPANIES
Are you as smart as ... you think you are???

Homeowners and Condo Questions

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With special thanks to the Insurance Services Office, Inc. for advance information, continued support, and permission to use their forms and information.

Which of the following would be included in the definition of “insured” found in the ISO Homeowners policy?

a. Your daughter who lives with you

b. The 25 year old Irish foreign exchange student staying with you this semester

c. The dog groomer at Petco who is grooming your Rottweiler when it bites the bichon frise.

d. Your best friend who is taking care of your dog while you are away

e. Your 25 year old son who is a resident student at UCLA finishing up his PhD
**HO-91**

<table>
<thead>
<tr>
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**HO-2000**

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### HO-2011

5. "Insured" means:

a. You and residents of your household who are:
   
   (1) Your relatives; or
   
   (2) Other persons under the age of 21 and in your care or the care of a resident of your household who is your relative;

b. A student enrolled in school full-time, as defined by the school, who was a resident of your household before moving out to attend school, provided the student is under the age of:
   
   (1) 24 and your relative; or
   
   (2) 21 and in your care or the care of a resident of your household who is your relative; or

c. Under Section II:
   
   (1) With respect to animals or watercraft to which this policy applies, any person or organization legally responsible for these animals or watercraft and owned by you or any person described in §a. or b. "Insured" does not mean any person or organization using or having custody of these animals or watercraft on the premises or any structure, or without consent of the owner, or

   (2) With respect to a "motor vehicle" to which this policy applies:

   (a) Persons while engaged in your employ or that of any person described in §a. or b.; or

   (b) Other persons using the vehicle on an "insured location" with your consent.

### Example

- "a" is an insured ... resident relatives are insureds
- "b" is not an insured because if your are not a "related" resident then you must be under 21
- "c" is not an insured because we don’t consider someone working in the business of animals even though they have control with your permission
- "d" is an insured because someone caring for your animals who is not in the “business” is an insured under your policy
- "e" is NOT an insured because students away at school must be under 24 – need endorsement

### Question

Which of the following **could be** considered an “insured location” under the Homeowners policy?

- a. The horse stall that you rent to board your horse

- b. The cottage you rent while away on a vacation

- c. The function room that you rent to hold your daughter’s wedding reception

- d. The lot of land that you own in Plymouth which is fenced in to keep out intruders.

- e. Your insureds’ foreclosed home. They have moved out
The horse stall or beach rights ...or any time you want to use – premises used in connection ...you

c. Any premises used by you in connection with a premises in 4.a. and 4.b. above;

Could have a problem with “distance” ... EVEN though the policy does NOT state any such limitation
Residence premises...can be a problem for anyone who has moved out of their house or ...never or no longer lives in it

HO-91

"Residence premises" means:
1. The one family dwelling, other structures, and grounds; or
2. That part of any other building where you reside, and which is shown as the "residence premises" in the Declarations.

HO-2000/2011

"Residence premises" means:
1. The one-family dwelling where you reside;
2. The two-, three-, or four-family dwelling where you reside;
3. That part of any other building where you reside;

and which is shown as the "residence premises" in the Declarations.

"Residence premises" also includes other structures and grounds at that location.

In the Homeowners policy under **Coverage C**, which of the following vehicles **would be covered**?

a. Owned golf carts
b. Your riding lawnmower
c. The motorized toy motorcycle that you purchased for your 4-year-old son
d. Your resident grandfather’s electric wheelchair
e. Snowmobile
"a" golf carts are not covered under Cov. C as they are motor vehicles and not used to service insured’s residence or assist handicapped

"b" IS covered as long as it is used to service an insured’s residence …it can be used for other things (other than business)

"c" is a “maybe”. If the company doesn’t consider it a motorized land conveyance then battery operated toys are covered

"d" is covered as it is an exception to the motor vehicle exclusion … motorized conveyance DESIGNED to assist the handicapped

"e" is NOT covered as it is a motorized land conveyance and not one of the exceptions

HO policy doesn’t “do” recreational vehicles under Coverage C
HO-2011

4. Property Not Covered
   We do not cover:
   
   c. "Motor vehicles"
      This includes a "motor vehicle's" equipment and parts. However, in this Paragraph 4.e.
      does not apply to:
      (1) Portable electronic equipment that:
         (a) Reproduces, receives or transmits audio, visual or data signals; and
         (b) Is designed so that it may be operated from a power source other
             than a "motor vehicle's" electrical system.
      (2) "Motor vehicles" not required to be registered for use on public roads or
          property which are:
          (a) Used solely to service a residence or
          (b) Designed to assist the handicapped.

   7. "Motor vehicle" means:
      a. A self-propelled land or amphibious vehicle;
      or
      b. Any trailer or semitrailer which is being
d          carried on, towed by or hitched for towing
          by a vehicle described in a above.

   “a” golf carts are not covered under Cov C
   as they are “motor vehicles” and do not fit exception to exclusion

   “b” is covered...PROBABLY ... since there is
   an exception for motorized conveyances
   used to service and insured's residence ...
   BROADER than the HO-2000...“solely” still
   there but now can service “A” residence not
   just an “insureds”

   “c” is probably NOT covered ... battery
   operate IS “self-propelled” so it IS a “motor
   vehicle” and exception does NOT apply

   “d” is covered as it is an exception to the
   motor vehicle exclusion ...
   motorized conveyance DESIGNED to assist
   the handicapped

   “e” is NOT covered as it is a “motor vehicle”
   and is NOT part of the exception to the
   exclusion – HO policy doesn’t “do”
   recreational vehicle

Which of the following about Homeowners Coverage C are false?

   a. Coverage C only covers property that is
      owned by you or a family member

   b. Personal Property is covered while you are
      on vacation in Japan

   c. Certain types of contents have limitations of
      value paid out at the time of loss

   d. Property in storage is limited in coverage
      to10% of the Coverage C limit

   e. Entire value of Cov C available at a 2nd home
**HO-91**

**COVERAGE C – Personal Property**

We cover personal property owned or used by an "insured" while it is anywhere in the world. At your request, we will cover personal property owned by:

1. Others while the property is on the part of the "residence premises" occupied by an "insured";
2. A guest or a "residence employee," while the property is in any residence occupied by an "insured."

Our limit of liability for personal property usually located at an "insured's" residence, other than the "residence premises," is 10% of the limit of liability for Coverage C, or $1,000, whichever is greater. Personal property in a newly acquired principal residence is not subject to this limitation for the 30 days from the time you begin to move the property there.

**Special Limits of Liability.** These limits do not increase the Coverage C limit of liability. The special limit for each numbered category below is the total limit for each loss for all property in that category.

---

"a" is false because Coverage C applies to personal property owned OR USED by an "insured"

"b" is true because Cov C applies anywhere in the world

"c" is true because there are certain categories of personal property that are subject to various "sub-limits" of value

"d" is false because the 10% limitation on Cov C ONLY applies to personal property usually located at an insured's RESIDENCE ...not in a storage unit

"e" is false because Coverage C IS limited to 10% located in a secondary residence

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**HO-2000**

**C. Coverage C – Personal Property**

1. **Covered Property**

   We cover personal property owned or used by an "insured" while it is anywhere in the world. After a loss and at your request, we will cover personal property owned by:

   a. Others while the property is on the part of the "residence premises" occupied by an "insured";
   b. A guest or a "residence employee," while the property is in any residence occupied by an "insured."

2. **Limit For Property at Other Residences.**

   Our limit of liability for personal property usually located at an "insured's" residence, other than the "residence premises," is 10% of the limit of liability for Coverage C, or $1,000, whichever is greater. However, this limitation does not apply to personal property:

   a. Moved from the "residence premises", because it is being repaired, renovated, or rebuilt and is not fit to live in or store property in; or
   b. In a newly acquired principal residence for 30 days from the time you begin to move the property there.

3. **Special Limits Of Liability**

   The special limit for each category shown below is the total limit for each loss for all property in that category. These special limits do not increase the Coverage C limit of liability.

---

"a" is false because Coverage C applies to personal property owned OR USED by an "insured"

"b" is true because Cov C applies anywhere in the world

"c" is true because there are certain categories of personal property that are subject to various "sub-limits" of value

"d" is false because the 10% limitation on Cov C ONLY applies to personal property usually located at an insured's RESIDENCE ...not in a storage unit

"e" is false because Coverage C IS limited to 10% located in a secondary residence
11/12/2012

HO-2011

C. Coverage C - Personal Property

1. Covered Property

It covers personal property owned or used by an “insured” while it is located in the “residence premises” or elsewhere. Coverage C applies to personal property owned:

a. Either the property is on the part of the “residence premises” occupied by an “insured”, or
b. A guest or a “residence employee”, while the property is in any residence occupied by an “insured”.

1. Limits for Property at Other Locations

a. Other Residences

Our limit of liability for personal property usually located at an “insured’s” residence, other than the “residence premises”, shall be the greater of $1,000, whichever is greater. However, this limitation does not apply to personal property:

(1) Moved from the “residence premises” because it is:
   a. Being replaced, renovated or rebuilt; and
   b. Not fit to live in or store property in;

(2) In a newly acquired principal residence for 30 days from the time you begin to move the property there.

b. Storage Facilities

Our limit of liability for personal property owned or used by an “insured” and located in a storage facility is $50% of the insurable value of the property, whichever is greater. However, this limitation does not apply to personal property:

(1) Moved from the “residence premises” because it is:
   a. Being replaced, renovated or rebuilt; and
   b. Not fit to live in or store property in;

(2) Usually located in an “insured’s” residence, other than the “residence premises”.

2. Special Limits Of Liability

The special limit for each category shown below is the total limit for each item of all property in that category. These special limits do not limit the “General Limit Of Liability”.

“a” is false because Coverage C applies to personal property owned OR USED by an “insured”

“b” is true because Cov C applies “anywhere in the world”

“c” is true because there are certain categories of personal property that are subject to various “sub-limits” of value

“d” is true. HO-2011 adds another overall 10% limit for personal property in self storage facilities

“e” is false because Coverage C IS limited to 10% located in a secondary residence

Which statement regarding Coverage B-Other Structures is not true?

a. The structure must be separated by "clear space" from the dwelling

b. Coverage must be increased by endorsement

c. Any type of business use of the Other Structure is allowed

d. Other structures must be on the "residence premises"

e. Storing your non-flammable business property in detached garage is allowed
### HO-91

**COVERAGE B – Other Structures**

We cover other structures on the "residence premises" set apart from the dwelling by clear space. They include structures connected to the dwelling by only a fence, utility line, or similar connection. This coverage does not apply to land, including land on which the other structures are located.

We do not cover other structures:

1. Used in whole or in part for "business"; or
2. Rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage.

The limit of liability for this coverage will not be more than 10% of the limit of liability that applies to Coverage A. Use of this coverage does not reduce the Coverage A limit of liability.

“a” is true – Coverage B applies to structures separate from the Dwelling by “clear space”. If attached to dwelling then part of Coverage A limit

“b” is true – because you only get 10% of the Dwelling Coverage A limit for free. If you want more you need HO 04 48 Other Structures on the Residence Premises Increased limits

“c” is FALSE – business use of an other structure is NOT ALLOWED

“d” is true for Coverage B to apply the other structure MUST be ON the “residence premises”

“e” is FALSE – HO-91 does not allow ANY business activity or storage … Other than rental as a GARAGE

### HO-2000/HO-2011

**B. Coverage B – Other Structures**

1. We cover other structures on the "residence premises" set apart from the dwelling by clear space. They include structures connected to the dwelling by only a fence, utility line, or similar connection.

2. We do not cover:
   
   a. Land, including land on which the other structures are located;
   b. Other structures rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage;
   c. Other structures from which any "business" is conducted; or
   d. Other structures used to store "business" property. However, we do cover a structure that contains "business" property solely owned by an "insured" or a tenant of the dwelling provided that "business" property does not include gaseous or liquid fuel other than fuel in a permanently installed fuel tank or a vehicle or craft parked or stored in the structure.

3. The limit of liability for this coverage will not be more than 10% of the limit of liability that applies to Coverage A. Use of this coverage does not reduce the Coverage A limit of liability.

“a” is true – Coverage B applies to structures separate from the Dwelling by “clear space”. If attached to dwelling then part of Coverage A limit

“b” is true – because you only get 10% of the Dwelling Coverage A limit for free. If you want more you need HO 04 48 Other Structures on the Residence Premises Increased limits

“c” is FALSE – business use of an other structure is NOT ALLOWED

“d” is true for Coverage B to apply the other structure MUST be ON the “residence premises”

“e” is true – HO-2000/2011 allow if an insured owns it and non-flammable
All of the following statements about the additional coverage Debris Removal is False?

a. There is an endorsement to increase coverage

b. Pays $1000 to remove your tree from your premises felled by windstorm or hail and which struck and damaged your fence

c. Coverage is included within the limit of insurance – plus an additional 5% of each coverage limit if necessary

d. Only covers debris removal of covered property if a Peril insured against causes loss

e. Coverage does not apply when your neighbor’s tree is felled by windstorm and damages your garage

“a” is false – there is NO ISO endorsement to increase debris removal coverage for the homeowners policy

“b” is false – under the HO-2000 the OVERALL limit is $1000 but there is a sub-limit of only $500 per tree

“c” is true – debris removal expenses should be paid within the limit of the applicable damaged property but if that is not sufficient an additional 5% of that limit would be provided

“d” is true – debris removal is only covered if it is due to a COVERED loss situation

“e” is false – coverage does apply when neighbor’s tree felled by Cov C peril damaging structure
Which of the following statements about the Add'l Coverage Collapse is false?

a. Collapse can be all of or any part of a building

b. Hidden decay under a chandelier base causes the chandelier to fall damaging the floor and leaving a hole in the ceiling. This is a covered collapse loss

c. Heavy snows caused the deck to collapse. This is NOT a covered collapse loss

d. The insured had a covered hidden insect collapse claim. Now the pest control people tell her that her house is infested and is a “collapse waiting to happen”. This will be covered when it happens

e. Collapse of a table that is overloaded with equipment is covered collapse damage

Additional Coverages

6. Collapse is deleted and replaced by the following:

(a) A part of a building that is standing and is not considered to be in a state of collapse even if it has separated from another part of the building

(b) We insure for direct physical loss to covered property involving collapse of a building or any part of a building if the collapse was caused by one or more of the following:

(1) Perils Insured Against in Coverage C – Personal Property. These perils apply to covered buildings and personal property for loss insured by this Additional Coverage.

(2) Decay that is hidden from view, unless the presence of such decay is known to you prior to collapse.

(3) Weight of contents, equipment, animals or people.

(4) Weight of rain which collects on a roof, or

(5) Weight of snow or ice which collects on a roof, or

(6) Use of defective material or methods in construction, remodeling or renovation of the building, or in the construction, remodeling or renovation of the foundation, retaining wall, bulwark, pier, wharf or dock.

HO-91 modified by HO 01 20  "a" is true ...a piece of a building ...or the whole building could both be considered "collapse"

"b" is true as hidden decay causing collapse is covered

"c" is false ...a deck collapsed by weight of ice/snow would be covered because weight of ice/snow is a Coverage C peril

"d" is false ... a building in the “state of collapse” is not “collapse” ...and the bugs are no longer “hidden” ...

"e" is false – only building collapse is covered
"a" is true ... a piece of a building ... or the whole building could both be considered "collapse"

"b" is true as hidden decay causing collapse is covered

"c" is false ... a deck collapsed by weight of ice/snow would be covered because weight of ice/snow is a Coverage C peril

"d" is false ... a building in the "state of collapse" is not "collapse" ... and the bugs are no longer "hidden" ...

"e" is false – only building collapse is covered
In an unendorsed HO-3 policy which of the following losses to contents *would be covered*?

a. Gas furnace explosion causes damage to household contents

b. Power surge shorted out the brand new electronic circuitry in the TV and CD player and they are not repairable

c. Camper trailer is stolen from your campsite at Lake Woebegone

d. Fireplace malfunctioned causing smoke damage to furniture

e. Vandalism loss to pool water is covered

"a" is covered as “explosion” is a named peril

"b" is not covered ...power surge IS a covered peril ...but it excludes damage to electronic components ...etc

"c" is not covered because theft is limited in certain “off premises” situations ...and a trailer stolen from off the “residence premises” is NOT covered

"d" is covered because smoke is covered

"e" excluded as water is NOT covered property

HO-2000/2011
Under a HO-3, identify which losses would **not be covered** under Coverage A and B.

a. Excessive heat damage done to paneling by faulty wood stove

b. Pet dog chewed woodwork in dining room

c. Lightning struck house causing pipe between oil tank and furnace to break spilling 100 gallons of oil in basement

d. Ice dam loss ceiling and walls

e. Bird flew in through open window – blood and pooh damaged walls and w/w carpeting
"a" is covered ...because it is NOT excluded ... no mention of "fire" to restrict to consumption of materials, etc.

"b" is NOT covered as damage done by animals owned or kept by insured is excluded

"c" is covered ...pollution losses to buildings excluded UNLESS a result of a coverage C named peril ...lightning is a Coverage C named peril

"d" is covered ...because it is NOT excluded. The only exclusions referencing freezing are the ones regarding plumbing unless heat is maintained or water shut off ...and freezing of things that are IN the ground or water such as foundations, piers,

"e" Bird damage is excluded ...whether sudden or not
"a" is covered ...because it is NOT excluded ...
no mention of “fire” to restrict to consumption of materials, etc.

"b" is NOT covered as damage done by animals owned or kept by insured is excluded

"c" is covered ...pollution losses to buildings excluded UNLESS a result of a coverage C named peril ...lightning is a Coverage C named peril

"d" is covered ...because it is NOT excluded.
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"e" Bird damage is excluded ...whether sudden or not
HO-91 and HO-2000

Slight formatting differences

SECTION I - PERILS INSURED AGAINST

A. Coverage A - Dwelling And Coverage B - Other Structures
1. We insure against direct physical loss to property described in Coverages A and B.
2. We do not insure, however, for loss:

   (g) Birds, rodents or insects; or
   (h) Nesting or infestation, or discharge or release of waste products or secretions, by any animals; or

“a” is covered ...because it is NOT excluded ...
no mention of “fire” to restrict to consumption of materials, etc.
“b” is NOT covered as damage done by animals owned or kept by insured is excluded
“c” is covered ...pollution losses to buildings excluded UNLESS a result of a coverage C named peril ...lightning is a Coverage C named peril
“d” is covered ...because it is NOT excluded.
The only exclusions referencing freezing are the ones regarding plumbing unless heat is maintained or water shut off ...and freezing of things that are IN the ground or water such as foundations, piers,
“e” Bird damage is excluded ...whether sudden or not

HO-2011

SECTION I - PERILS INSURED AGAINST

A. Coverage A - Dwelling And Coverage B - Other Structures
1. We insure against direct physical loss to property described in Coverages A and B.
2. We do not insure, however, for loss:

   c. Caused by:
   (g) Birds, rodents or insects; or
   (h) Nesting or infestation, or discharge or release of waste products or secretions, by any animals; or

“a” is covered ...because it is NOT excluded ...
no mention of “fire” to restrict to consumption of materials, etc.
“b” is NOT covered as damage done by animals owned or kept by insured is excluded
“c” is covered ...pollution losses to buildings excluded UNLESS a result of a coverage C named peril ...lightning is a Coverage C named peril
“d” is covered ...because it is NOT excluded.
The only exclusions referencing freezing are the ones regarding plumbing unless heat is maintained or water shut off ...and freezing of things that are IN the ground or water such as foundations, piers,
“e” Bird damage is excluded ...whether sudden or not
If the replacement value of a house is $300,000 and the insured carriers $270,000, what will be paid if there is a $50,000 fire loss. Disregard deductibles.

a. $40,000
b. $50,000
c. $30,000
d. $45,000

The replacement value is $300,000.

In order to get R/C for partial losses the insured must carry at least 80% of the replacement cost.

In this case that would be 80% of $300,000 or $240,000.

The insured carried more than 80% of the replacement value so partial losses up to $270,000 can be paid without depreciation or penalty …other than deductible.
Which of the following would NOT be covered under both Personal Liability and Medical Payments in the ISO HO policy?

a. You are playing basketball and accidentally hit someone in the face

b. You care for children for a living. A child is hurt while in your care

c. You say “nasty” things about the teacher who flunked your child

d. Your 20ft skiff powered by a 25hp outboard motor hits the dock

e. You are sued for serving alcohol to a guest …who drove away and caused an accident

HO-91

“a” is covered …personal activity …not excluded

“b” is NOT covered …business activity excluded

“c” is NOT covered as HO policy only provides BI/PD …need endorsement for Personal Injury liability coverage

“d” is Covered …as outboards owned 25 horsepower or less are covered

“e” is covered as there is no exclusion for a motor vehicle that an insured does not own/borrow/use/operate/rent
HO-91

SECTION II – EXCLUSIONS

1. Coverage E – Personal Liability and Coverage F – Medical Payments to Others do not apply to "bodily injury" or "property damage":
   a. Which is expected or intended by the "insured".
   b. Arising out of or in connection with a "business" engaged in by an "insured." This exclusion applies but is not limited to an act or omission, regardless of its nature or circumstance, involving a service or duty rendered, promised, owed, or implied to be provided because of the nature of the "business".

- "a" is covered ... personal activity ... not excluded
- "b" is NOT covered ... business activity excluded
- "c" is NOT covered as HO policy only provides BI/PD ... need endorsement for Personal Injury liability coverage HO 24 82
- "d" is Covered ... as outboards owned 25 horsepower or less are covered
- "e" is covered as there is no exclusion for a motor vehicle that an insured does not own/borrow/use/operate/rent

HO-91

COVERAGE E – Personal Liability

If a claim is made or a suit is brought against an "insured" for damages because of bodily injury or property damage caused by an "occurrence" to which this coverage applies, we will:

1. Pay up to our limit of liability for the damages for which the "insured" is legally liable. Damages include prejudgment interest awarded against the "insured".

HOMEOWNERS
HO 24 82 04 91

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PERSONAL INJURY

- "a" is covered ... personal activity ... not excluded
- "b" is NOT covered ... business activity excluded
- "c" is NOT covered as HO policy only provides BI/PD ... need endorsement for Personal Injury liability coverage HO 24 82
- "d" is Covered ... as outboards owned 25 horsepower or less are covered
- "e" is covered as there is no exclusion for a motor vehicle that an insured does not own/borrow/use/operate/rent
HO-91

1. Coverage E – Personal Liability and Coverage F – Medical Payments to Others do not apply to “bodily injury” or “property damage.”

   a. Arising out of:
      (1) The ownership, maintenance, use, loading or unloading of an excluded watercraft described below:

This exclusion does not apply to watercraft:

   (a) Inboard or inboard-outdrive engine or motor power of 50 horsepower or less not owned by an “insured”;
   (b) Inboard or inboard-outdrive engine or motor power of more than 50 horsepower not owned by or rented to an “insured”;
   (c) One or more outboard engines or motors with 25 total horsepower or less;
   (d) One or more outboard engines or motors with more than 25 total horsepower if the outboard engine or motor is not owned by an “insured”;
   (e) Outboard engines or motors of more than 25 total horsepower owned by an “insured”.

   b. Arising out of:
      (1) The ownership, maintenance, use, loading or unloading of motor vehicles or all other trailers, owned or operated by or rented or loaned to an “insured”;
      (2) The use by the insured or “insured” of a motor vehicle or any other motorized land conveyance to any person; or
      (3) Vicarious liability, whether or not statistically improved, for the actions of a child or minor using a conveyance excluded in paragraph (1) or (2) above.

   “a” is covered …personal activity …not excluded
   “b” is NOT covered … business activity excluded
   “c” is NOT covered as HO policy only provides BI/PD … need endorsement for Personal Injury liability coverage HO 24 82
   “d” is Covered …as outboards owned 25 horsepower or less are covered
   “e” is covered as there is no exclusion for a motor vehicle that an insured does not own/borrow/use/operate/rent
   And there is no liquor exclusion
“a” is covered ... personal activity ... not excluded

“b” is NOT covered ... business activity ... excluded

“c” is NOT covered as HO policy only provides BI/PD ... need endorsement for Personal Injury liability coverage HO 24 82

“d” is Covered ... as outboards owned 25 horsepower or less are covered

“e” can be excluded per “motor vehicle liability” definition and motor vehicle exclusion
SECTION II – LIABILITY COVERAGE

A. Coverage E – Personal Liability

If a claim is made or a suit is brought against an “insured” for damages because of “bodily injury” or “property damage” sustained by an “occurrence” to which this coverage applies, we will:

1. Pay up to our limit of liability for the damages for which an “insured” is legally liable. Damages include prejudgment interest awarded against an “insured” and...

HO-2000/2011

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PERSONAL INJURY

“a” is covered …personal activity …not excluded

“b” is NOT covered …business activity…excluded

“c” is NOT covered as HO policy only provides BI/PD …need endorsement for Personal Injury liability coverage HO 24 82

“d” is Covered …as outboards owned 25 horsepower or less are covered

“e” can be excluded per “motor vehicle liability” definition and motor vehicle exclusion

SECTION II – EXCLUSIONS

B. “Watercraft Liability”

1. Coverages E and F do not apply to any “watercraft liability” if, at the time of an “occurrence”, the involved watercraft is being:

2. If Exclusion b.1. does not apply, there is still no coverage for “watercraft liability” unless, at the time of the “occurrence”, the watercraft:

   (a) 25 total horsepower or less;

   (b) More than 25 horsepower if the outboard engine or motor is not owned by an “insured”;

   (c) More than 25 horsepower if the outboard engine or motor is owned by an “insured” who acquired it during the policy period; or

   (d)...

HO-2000/2011

“a” is covered …personal activity …not excluded

“b” is NOT covered …business activity…excluded

“c” is NOT covered as HO policy only provides BI/PD …need endorsement for Personal Injury liability coverage HO 24 82

“d” is Covered …as outboards owned 25 horsepower or less are covered

“e” can be excluded per “motor vehicle liability” definition and motor vehicle exclusion
1. "Aircraft Liability," "Hovercraft Liability," "Motor Vehicle Liability" and "Watercraft Liability" subject to the provisions in b. below mean the following:

a. Liability for "bodily injury" or "property damage" arising out of:
   (1) Ownership of such vehicle or craft by an "insured";
   (2) Maintenance, occupancy, operation, use, loading or unloading of such vehicle or craft by any person;
   (3) Enthusiasm of such vehicle or craft by an "insured" to any person;
   (4) Failure to supervise or negligent supervision of any person involved such vehicle or craft by an "insured"; or
   (5) Viscous liability, whether or not imposed by law, for the actions of a child or minor involving such vehicle or craft.

b. For the purpose of this definition:
   (1) Aircraft means any contrivance used or designed for flight except model or hobby aircraft not used or designed to carry people or cargo;
   (2) Hovercraft means a self-propelled motorized ground effect vehicle and includes, but is not limited to, frailcraft and air cushion vehicles;
   (3) Watercraft means a craft principally designed to be propelled on or in water by wind, engine power or electric motor; and
   (4) Motor vehicle means a "motor vehicle" as defined in 7. below.

HO-2000/2011

"a" is covered ... personal activity ... not excluded

"b" is NOT covered ... business activity ... excluded

"c" is NOT covered as HO policy only provides BI/PD ... need endorsement for Personal Injury liability coverage HO 24 82

"d" is Covered ... as outboards owned 25 horsepower or less are covered

"e" can be excluded per "motor vehicle liability" definition and motor vehicle exclusion

SECTION II - EXCLUSIONS

A. "Motor Vehicle Liability"

1. Coverages E and F do not apply to any "motor vehicle liability" if, at the time and place of an "occurrence", the involved "motor vehicle":
   a. is registered for use on public roads or property;
   b. is not registered to use on public roads or property, but such registration is required by a law, or regulation issued by a government agency, for it to be used at the place of the "occurrence"; or
   c. is being:
      (1) Operated in, or practicing for, any prearranged or organized race, speed contest or other competition;
      (2) Rented to others;
      (3) Used to carry persons or cargo for a charge; or
      (4) Used for any "business" purpose except for a motorized golf cart while on a golfing facility.

HO-2000/2011

"a" is covered ... personal activity ... not excluded

"b" is NOT covered ... business activity ... excluded

"c" is NOT covered as HO policy only provides BI/PD ... need endorsement for Personal Injury liability coverage HO 24 82

"d" is Covered ... as outboards owned 25 horsepower or less are covered

"e" can be excluded per "motor vehicle liability" definition and motor vehicle exclusion
Which of following vehicle situations are covered under the ISO HO Coverages E&F?

a. A utility trailer parked at a campsite for a two-week vacation

b. Your handicapped mother using her electric wheelchair while shopping at the local mall

c. A golf cart you rented to play golf

d. The ATV owned by your next door neighbor that your son is using at the local playground

e. Owned golf cart used at campground

“a” is covered because the exclusion for owned motor vehicles and trailers does NOT apply if the trailer is not attached to the power unit.
“b” is covered because the motor vehicle exclusion does not apply to a vehicle designed for the handicapped

Broader than HO-2000 and HO-2011 as it can be used by ANYONE

“c” is covered because it is a recreational vehicle designed for off road use and not subject to a motor vehicle registration or any vehicle registration and since it is NOT owned ... the insured can use it ANYWHERE
“d” is covered for the same reason.

ATV is a recreational vehicle designed for off road use not subject to a registration process and since it is not owned an insured can use it anywhere

“e” is NOT covered because OWNED recreational vehicles designed for off road use are are covered on insured locations...

“d” is the closest ...but to me it means the campsite ...not the 500 acre campground
"a" is covered because there is no exclusion ... if the trailer is not attached to the power unit then it is NOT a motor vehicle and therefore the exclusion does not apply.

"b" is covered because the motor vehicle exclusion does not apply to a vehicle designed for the handicapped while being used by the handicapped insured.
“c” is covered because it is a recreational vehicle designed for off road use and not subject to a motor vehicle registration or any vehicle registration and since it is NOT owned ... the insured can use it ANYWHERE

“d” is covered for the same reason. ATV is a recreational vehicle designed for off road use not subject to a registration process and since it is not owned an insured can use it anywhere
"e" is NOT covered because OWNED recreational vehicles designed for off road use are ONLY covered on CERTAIN insured locations... I don't believe that campground is one of them

"a", "b", "d", "e", "h" are the only insured locations where owned recreational vehicles not subject to motor vehicle registration are covered

"d" is the closest ...but to me it means the campsite ...not the 500 acre campground
Some Section I exclusions can be bought back, some cannot. Identify which one cannot be bought back as a HO endorsement:

a. Ordinance or Law
b. Flood
c. Sewer back up
d. Earthquake
e. Mold/fungus

HO-2000/2011/91
“a” Ordinance or Law exclusion can be bought back by the Ordinance or law endorsement HO 04 77 – and you buy it in increments of 25% of Coverage A

“b” flood cannot be “bought back” ...need a Dwelling Flood Policy
“c” Sewer back up can be bought back … somewhat HO 04 95 Water Back up and Sump Overflow Endorsement …you only get $5000 of coverage in HO-91 and HO-2000 but $25,000 possible in HO-2011

“d” earthquake can be bought back with the Earthquake endorsement HO 04 54

Which of the following locations could be considered an “insured location” under your HO-6?

a. Association clubhouse

b. Association pool

c. Inside your neighbor’s unit

d. Association playground

e. Common parking area
6. Insured location means:
   a. The “residence premises”; 
   b. The part of other premises, other structures and ground used by you as a residence; and
      (1) Which is shown in the Declarations; or
      (2) Which is acquired by you during the policy period for your use as a residence;
   c. Any premises used by you in connection with a premises described in a. and b. above;
   d. Any part of a premises:
      (1) Not owned by an “insured”; and
      (2) Where an “insured” is temporarily residing;
   e. Vacant land, other than farm land, owned by or rented to an “insured”; 
   f. Land owned by or rented to an “insured” on which one, two, three or four family dwelling is being built as a residence for an “insured”; 
   g. Individual or family cemetery plots or burial vaults of an “insured”; or
   h. Any part of a premises occasionally rented to an “insured” for other than “business” use.

HO-2000/2011
HO-91 similar

“a” association club house would fit into part “6c” of the insured location definition

“b” association pool would also fit into part “6c” of the insured location definition

“c” would NOT fit the definition as that is individually owned area owned by someone other than the insured – and insured NOT living there

“d” association playground would also fit into part “6c” of the definition

“e” common parking should also fit “6c” of the definition
Which of the following is false regarding loss assessment coverage under the HO-6?

a. Loss assessment coverage applies when the unit owner is assessed for a covered loss that occurred in their neighbor’s unit

b. Loss assessment coverage is provided under both Section I and Section II of the HO policy

c. This coverage responds for any assessment that might be assessed against unit-owners whether insurance related or not

d. Loss assessment coverage responds when the covered assessment is issued regardless of when the actual loss happened.

e. Loss assessment coverage is not subject to the Section I deductible

“a” is false because Loss assessment under Sec. I only applies when COMMONLY OWNED property is damaged. The next door neighbor’s unit is individually owned.
Section I

7. Loss Assessment

HO-2000/2011
HO-91 similar

a. We will pay up to $1,000 for your share of loss assessment charged against you, as owner or tenant of the "residence premises", during the policy period by a corporation or association of property owners, when the assessment is made as a result of:
   (1) Bodily injury or "property damage" not excluded from coverage under Section II — Exclusions; or
   (2) Liability for an act of a director, officer or trustee in the capacity as a director, officer or trustee, provided such person:
      (1) Is elected by the members of a corporation or association of property owners; and
      (2) Serves without deriving any income from the exercise of duties which are solely on behalf of a corporation or association of property owners.

Section II

D. Loss Assessment

1. We will pay up to $1,000 for your share of loss assessment charged against you, as owner or tenant of the "residence premises", during the policy period by a corporation or association of property owners, when the assessment is made as a result of:

   a. "Bodily injury" or "property damage" not excluded from coverage under Section II — Exclusions; or
   b. Liability for an act of a director, officer or trustee in the capacity as a director, officer or trustee, provided such person:
      (1) Is elected by the members of a corporation or association of property owners; and
      (2) Serves without deriving any income from the exercise of duties which are solely on behalf of a corporation or association of property owners.

Section III

2. Paragraph I, Policy Period under Section II — Conditions does not apply to this Loss Assessment Coverage.

3. Regardless of the number of assessments, the limit of $1,000 is the most we will pay for loss arising out of:
   a. One accident, including continuous or repeated exposure to substantially the same general harmful condition; or
   b. A covered act of a director, officer or trustee. An act involving more than one director, officer or trustee is considered to be a single act.

Section IV

4. We do not cover assessments charged against you or a corporation or association of property owners by any governmental body.

"b" is TRUE because there is $1000 "free" loss assessment for Sec. I assessments and $1000 for Section II assessments.

Section V

7. Loss Assessment

HO-2000/2011
HO-91 similar

a. We will pay up to $1,000 for your share of loss assessment charged during the policy period against you, as owner or tenant of the "residence premises", by a corporation or association of property owners. The assessment must be made as a result of direct loss to property, owned by all members collectively, of the type that would be covered by this policy if owned by you, caused by a Peril Insured Against under Coverage A, other than:
   (1) Earthquake; or
   (2) Land shock waves or tremors before, during or after a volcanic eruption.

The limit of $1,000 is the most we will pay with respect to any one loss, regardless of the number of assessments. We will only apply one deductible, per unit, to the total amount of any one loss to the property described above, regardless of the number of assessments.

b. We do not cover assessments charged against you or a corporation or association of property owners by any governmental body.

c. Paragraph P, Policy Period under Section I — Conditions does not apply to this coverage.

This coverage is additional insurance.

"c" is false because only insurance related assessments are covered and only potentially covered under coverage A loss scenarios.

D. Loss Assessment

1. We will pay up to $1,000 for your share of loss assessment charged against you, as owner or tenant of the "residence premises", during the policy period by a corporation or association of property owners, when the assessment is made as a result of:

   a. "Bodily injury" or "property damage" not excluded from coverage under Section II — Exclusions; or
   b. Liability for an act of a director, officer or trustee in the capacity as a director, officer or trustee, provided such person:
      (1) Is elected by the members of a corporation or association of property owners; and
      (2) Serves without deriving any income from the exercise of duties which are solely on behalf of a corporation or association of property owners.

Section II

2. Paragraph I, Policy Period under Section II — Conditions does not apply to this Loss Assessment Coverage.

3. Regardless of the number of assessments, the limit of $1,000 is the most we will pay for loss arising out of:
   a. One accident, including continuous or repeated exposure to substantially the same general harmful condition; or
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Section IV

4. We do not cover assessments charged against you or a corporation or association of property owners by any governmental body.

"c" is false because only insurance related assessments are covered and only potentially covered under coverage A loss scenarios.
### Section I  
**HO-2000/2011**  
**HO-91 similar**

#### 7. Loss Assessment

**a.** We will pay up to $1,000 for your share of loss assessment charged during the policy period against you, as owner or tenant of the “residence premises”, by a corporation or association of property owners. The assessment must be made as a result of direct loss to property, owned by all members collectively, of the type that would be covered by this policy if owned by you, caused by a Peril Insured Against under Coverage A, other than:

1. Earthquake; or
2. Land shock waves or tremors before, during or after a volcanic eruption.

The limit of $1,000 is the most we will pay with respect to any one loss, regardless of the number of assessments. We will only apply one deductible, per unit, to the total amount of any one loss to the property described above, regardless of the number of assessments.

**b.** We do not cover assessments charged against you or a corporation or association of property owners by any governmental body.

**c.** Paragraph P, Policy Period under Section I – Conditions does not apply to this coverage.

This coverage is additional insurance.

### D. Loss Assessment Section II

**1.** We will pay up to $1,000 for your share of loss assessment charged against you, as owner or tenant of the “residence premises”, during the policy period by a corporation or association of property owners, when the assessment is made as a result of:

a. Bodily injury or “property damage” not excluded from coverage under Section II – Exclusions; or
b. Liability for an act of a director, officer or trustee in the capacity as a director, officer or trustee, provided such person:

1. Is elected by the members of a corporation or association of property owners, and
2. Serves without deriving any income from the exercise of duties which are solely on behalf of a corporation or association of property owners.

**2.** Paragraph I, Policy Period under Section II – Conditions does not apply to this Loss Assessment Coverage.

**3.** Regardless of the number of assessments, the limit of $1,000 is the most we will pay for loss arising out of:

a. One accident, including continuous or repeated exposure to substantially the same general harmful condition; or
b. A covered act of a director, officer or trustee. An act involving more than one director, officer or trustee is considered to be a single act.

**4.** We do not cover assessments charged against you or a corporation or association of property owners by any governmental body.

"d" is **FALSE** – because the "policy period" condition does not apply.

The Section I deductible applies to ALL Section I coverages UNLESS it is stated that it doesn’t.

So ...since there is no language stating deductible does not apply then it DOES!
Which of the following statements is false regarding Coverage D Loss of Use under the HO-6

a. Since Loss of Use is only 50% of Cov C under HO-2000/2011 and 40% under HO-91, it's a good idea to recommend increasing Coverage D on all condo policies.

b. If the other side of the building that the condo is located in is damaged by a covered peril and the building is "untenable", the unit owner cannot activate his loss of use coverage since there is no damage to his unit.

c. If I rent out my condo and it is made "untenable" by a covered peril, this coverage will provide "loss of rents".

d. If the client buys more contents then he/she gets more Coverage D …killing two birds with one stone.

e. Payment under Coverage D ends on the last day of the policy even if the condo is not repaired.

RULE 101. LIMITS OF LIABILITY AND COVERAGE RELATIONSHIPS

A. Limits

<table>
<thead>
<tr>
<th>Coverage A – Dwelling</th>
<th>HO 00 01, HO 00 02, HO 00 03, HO 00 05 or HO 00 06</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Refer to Rule 201, in the state classification pages.</td>
</tr>
<tr>
<td></td>
<td>For HO 00 06 refer to Rule 507.A.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Coverage B – Other Structures</th>
<th>HO 00 02, HO 00 03, HO 00 05 or HO 00 06</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>10% of A (One and two family dwelling)</td>
</tr>
<tr>
<td></td>
<td>5% of A (Three and four family dwelling)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Coverage C – Personal Property</th>
<th>HO 00 02, HO 00 03, HO 00 05 or HO 00 06</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>50% of A (One and two family dwelling)</td>
</tr>
<tr>
<td></td>
<td>30% of A (Three family dwelling)</td>
</tr>
<tr>
<td></td>
<td>25% of A (Four family dwelling)</td>
</tr>
</tbody>
</table>

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<thead>
<tr>
<th>Coverage D – Loss Of Use</th>
<th>HO 00 02, HO 00 03, or HO 00 05</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30% of A</td>
</tr>
<tr>
<td></td>
<td>HO 00 04</td>
</tr>
<tr>
<td></td>
<td>30% of C</td>
</tr>
<tr>
<td>HO 00 06</td>
<td>50% of C</td>
</tr>
<tr>
<td>HO 00 08</td>
<td>10% of A</td>
</tr>
</tbody>
</table>

Table 101.A.1, Property Damage Limits

"a" is true – the HO-2000/2011 provides 50% of Coverage C for Loss of Use (the HO-91 only provided 40% of Coverage C).

If there isn’t much Coverage C … then there isn’t much Loss of use.

If a LARGE condo complex … that might take a LONG time to rebuild … Coverage D would be insufficient.

Mortgage still must be paid and now client also needs to pay rent somewhere else …
"b" is false – Coverage is activated if a covered peril either damages the insured’s unit or the building housing his/her unit.

"c" is true – whether or not the endorsement allowing rental is on the policy - Coverage D pays for the insured’s Additional living expense OR their Loss of rental income.

"d" is true –
Both the HO-4 and HO-6 provide Coverage D as a % of Coverage C.
So …buying more Coverage C provides more Loss of use

I would BET …most of your clients have NO clue as to how much contents they REALLY have and probably “low ball” the limit they tell you they want to buy

Tell them to play around with www.knowyourstuff.org
“e” is false – Coverage D ends when

The building or unit (whichever applies) is repaired ....

Or ...

Limit is gone ...

As long as are “diligent” in getting repairs done

<table>
<thead>
<tr>
<th>Which of the following is a reason for carrying some Cov. A above the normal free $5000 under the HO6?</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Per the bylaws the unit-owner is required to insure some of his or her building value (association is NOT covering it – “barewalls bylaws”)</td>
</tr>
<tr>
<td>b. Master policy is ACV and insured wants replacement cost coverage</td>
</tr>
<tr>
<td>c. Allows coverage in situations where the Master policy doesn't apply to the loss.</td>
</tr>
<tr>
<td>d. Fannie Mae required language was not provided by commercial agent even though the bylaws tell the master policy to cover the unit – and you “know” it does!</td>
</tr>
<tr>
<td>e. There is a $25,000 master policy deductible</td>
</tr>
</tbody>
</table>
“a” is true and a good reason for buying Coverage A — when the insured buys a condo he buys 100% interest in his unit.

What do the bylaws say? is the association obligated to insure individually owned property???

“b” is true and a good reason for buying Coverage A — who knows ... maybe the master policy is set up on a ACV basis instead of a replacement cost basis.
"c" is true and a good reason for buying Coverage A

Special form Condo master policy is NOT as broad as special form
HO 17 32 added to HO-6.
This endorsement should ALWAYS be added

"d" is true because Fannie Mae has specific guidelines as to what is acceptable for mortgage protection from the commercial agent.

If commercial certificate doesn’t read as Fannie Mae wants ...
potential mortgagor will have to buy HO-6
Dec 2008 announcement from Fannie Mae discussing changes

<table>
<thead>
<tr>
<th>Hazard Insurance for Units in Attached Condominium Projects Including 2-4 Unit Projects</th>
</tr>
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<tbody>
<tr>
<td>The Selling Guide, Part XII, Chapter 5, Insurance Requirements require that lenders verify that hazard insurance for all condominium projects with attached units, including two- to four- unit projects, covers fixtures, equipment, and other personal property inside individual units if they will be financed by the mortgage.</td>
</tr>
<tr>
<td>The updated policy now requires that the borrower obtain a “walls-in” coverage policy (commonly known as HO-6 policy) unless the lender can document that the master policy provides the same interior unit coverage. The master policy must include replacement of improvements and betterment coverage to cover any improvements that the borrower may have made to the unit.</td>
</tr>
<tr>
<td>The HO-6 insurance policy must provide coverage in an amount that is no less than 20 percent of the condominium unit’s appraised value. In the event such coverage can not be obtained, the lender should call the Fannie Mae Project Standards Department at the phone number listed at the end of this Announcement. The standard requirement for a 5 percent deductible applies.</td>
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December 2008 announcement from Fannie Mae discussing changes

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</tr>
</tbody>
</table>
The April 2009 CPM (Condo Project Manager) Release notes are even WORSE for us ....

**Modified Hazard Insurance question for units in attached condominium projects, including 2- to 4- unit projects**

The updated policy, as stated in Announcement 08-34, requires that the borrower obtain a "walls-in" coverage policy (commonly known as an HO-6 policy) unless the lender can document that the master policy provides the same interior unit coverage. As a result, CPM Version 3.0 will be updated with a modified Guide Eligibility question:

<table>
<thead>
<tr>
<th>Current Text</th>
<th>Modified Text</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;Is hazard insurance in place to cover 100% of the insurable replacement cost of the project improvements, including the individual units? (The deductible amount must not exceed 5% of the policy's face amount.)&quot;</td>
<td>&quot;Is hazard insurance in place to cover 100% of the insurable replacement cost of the project improvements, including the individual units? (The deductible amount must not exceed 5% of the policy's face amount.) Also answer yes if the individual units are not fully covered by the master policy but are supplemented by a &quot;walls-in&quot; or HO6 policy in an amount that is not less than 20% of each unit's appraised value.&quot;</td>
</tr>
</tbody>
</table>

**2012 Fannie Mae requirement for proof of insurance**

- **Condo Requirements** — The lender must review the entire condo project insurance policy to ensure the homeowners’ association maintains a master or blanket type of insurance policy, with premiums being paid as a common expense. The insurance requirements vary based on the type of homeowners’ association master or blanket insurance policy as follows:
  - **"Single Entity" policy** — The policy must cover all of the general and limited common elements that are normally included in coverage. These include fixtures, building service equipment, and common personal property and supplies belonging to the homeowners’ association. The policy also must cover fixtures, equipment, and replacement of improvements and betterments that have been made inside the individual unit being financed. The amount of coverage must be sufficient to restore the condo unit to its condition prior to a loss claim event. If the unit interior improvements are not included under the terms of this policy type, the borrower is required to have an HO-6 policy with coverage, as determined by the insurer, which is sufficient to repair the condo unit to its condition prior to a loss claim event.
Now ... if no PROOF that commercial policy covers individual units ... then HO-6 needed limit DETERMINED BY INSURER!!!!!
HO-2000/2011 (HO-91 similar)

“e” is true and a good reason for buying Coverage A –

Even if bylaws tell association to cover the unit ... a deductible on the master policy means your client is stuck for loss within their unit

Coverage A applies to ALL “real property” the unit owner could be responsible for

---

**SECTION I – PROPERTY COVERAGES**

**A. Coverage A – Dwelling**

1. We cover:
   a. The alterations, appliances, fixtures and improvements which are part of the building contained within the “residence premises”;
   b. Items of real property which pertain exclusively to the “residence premises”;
   c. Property which is your insurance responsibility under a corporation or association of property owners agreement; or
   d. Structures owned solely by you, other than the “residence premises”, at the location of the “residence premises”.

---

**HO-2000 and HO-91**

The issue will be …under HO-91 and HO-2000 …will HO-6 respond to a master policy deductible when the bylaws told the association to cover it ....

BUT it is the master policy deductible that precludes coverage

Coverage A says “yes” …but Section I Other Insurance Condition could be interpreted AGAINST the client
HO-6

1) The policy states that I CAN buy the coverage …but we also need to look at the “other insurance” provision:

HO-91 language
7. Other Insurance.
   ....
   If, at the time of loss, there is other insurance in the name of a corporation or association of property owners covering the same property covered by this policy, the insurance will be excess over the amount recoverable under such other insurance.

HO-2000 language
F. Other Insurance And Service Agreement
2. If, at the time of loss, there is other insurance or a service agreement in the name of a corporation or association of property owners covering the same property covered by this policy, this insurance will be excess over the amount recoverable under such other insurance or service agreement.

The association would be covering “same property covered by this policy” due to a bylaw requirement

The ISO Commercial Condo Master Policy language states:

6. Unit-Owner’s Insurance
   A unit-owner may have other insurance covering the same property as this insurance. This insurance is intended to be primary, and not to contribute with such other insurance

   the COMMERCIAL POLICY WILL take precedence over the personal policy and be primary
According to ISO …
the HO-6 was **NEVER intended** to fill
the Master Policy deductible gap…
when the bylaws tell the
Association to cover individually
owned items

In the HO-2000 filing ISO stated that the
HO-6 was intended to pay **AFTER …**
*every dime* of the Master Policy
had been paid out …

and this is under the HO-91 or the
HO-2000

The following statement was written into the HO-
2000 filing

The unit-owner is only covered for the amount of loss that exceeds
the amount RECOVERED BY the association under it’s policy. If the
association doesn’t recover because of a high deductible or other
reasons, **the unit-owner does not recover.**

The filing insinuated that this has been a problem …”forever” …

Many Carriers had been allowing the individual
unit-owner to use his/her Coverage A to fill the Master
Policy deductible when the loss occurred within his/her
unit

The HO-2000 filing suggested this was done “in error”
If one has the HO-91 HO-6 ... then when the bylaws are single entity and the loss happens within the unit ... how does one address the gap caused by the Master Policy deductible????

ONE CANNOT.....

The HO-2000 filing does offer a “fix” .... Buy the HO 17 34 Unit-Owners Modified Other Insurance End. 25% of the HO-6 base premium

Not filed for the HO-91 program!!!
If your still selling the HO-91 program ... I guess I would ask my carrier

What their opinion of the “other insurance” provision is

And ... if the carrier is utilizing the HO-2000 ... are they “automatically” adding HO 17 34 for “free” ...

or will there be a charge!

HO-2011
Other insurance provision states Coverage A can be PRIMARY when master policy SHOULD have covered loss due to bylaws - but master policy deductible was applied

HO 17 34 Modified Other Insurance Condition endorsement will be WITHDRAWN from use!
"That's all folks!"

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