HO2011 - MOTOIZED VEHICLES - THE GOOD, THE BAD OR THE UGLY?
Homeowners 2011-
Motorized Vehicles – The
Good, Bad and Ugly?

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This material has been designed for use in training programs for insurance industry personnel. It is not intended to be used as a complete reference resource on the programs and coverages outlined herein.

The programs use “standard” policy forms and endorsements for the purposes of discussing the exposures to loss that may exist, some of the coverage options available to treat them, and to provide a framework for discussions with carriers you represent concerning the programs they have available.

Coverages, rules and materials presented during this program may differ from those used by individual insurance companies. Contact individual carriers for details about interpretations of their eligibility requirements, particular insurance contracts and rates.

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HOMEOWNER’S 2011 PROGRAM

INTRODUCTION

Basic Information:

- Most jurisdictions accepted the new HO form as of May 1, 2011.

What Does the New Program do?

- The filing includes changes which both broaden and reduce coverage
- Some of the revisions are major and some are just minor editorial changes
- Clarifies some coverages and definitions according to court decisions
- Amends some coverages
- Introduces a new Coverage C sublimit
- Provides more clarification of the collapse coverage
- Broadens theft coverage for students living away from home
- Amends both the water and earth movement exclusions
- Adds liability coverage for some electronic toy vehicles
- Includes endorsement changes

**Special Program Note**

Any form numbers, references of wording, is from the ISO HO-3 policy. However, the policy language and most of the changes apply to the other forms as well
3. Motor vehicles or all other motorized land conveyances. This includes:
   a. Their equipment and accessories; or
   b. Electronic apparatus that is designed to be operated solely by use of the power from the electrical system of motor vehicles or all other motorized land conveyances.

Electronic apparatus includes:
   (1) Accessories or antennas; or
   (2) Tapes, wires, records, discs or other media; for use with any electronic apparatus.

The exclusion of property described in 3.a. and 3.b. above applies only while the property is in or upon the vehicle or conveyance.

We do cover vehicles or conveyances not subject to motor vehicle registration which are:
   a. Used to service an "insured's" residence; or
   b. Designed for assisting the handicapped;

HO '01 & '11

HO '00 & '01 only

c. "Motor vehicles".
(1) This includes:
   (a) Their accessories, equipment and parts; or
   (b) Electronic apparatus and accessories designed to be operated solely by power from the electrical system of the "motor vehicle".

Accessories include antennas, tapes, wires, records, discs or other media that can be used with any apparatus described above.

The exclusion of property described in (a) and (b) above applies only while such property is in or upon the "motor vehicle".

(2) We do cover "motor vehicles" not required to be registered for use on public roads or property which are:
   (a) Used solely to service an "insured's" residence; or
   (b) Designed to assist the handicapped
b. "Motor vehicles". This includes a "motor vehicle's" equipment and parts.

However, this Paragraph 4.c. 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;
Section II - DEFINITIONS

Coverage E – Personal Liability & Coverage F – Medical Payments

In 2000 ISO introduced a new definition to their HO policy. The definition applies to the liability section of the policy. With the introduction of this definition there were changes made to the motor vehicle exclusion.

Below is the definition that appears ONLY in the 2000, 2001 and 2011 editions:

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 the:

(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) Entrustment of such vehicle or craft by an "insured" to any person;

(4) Failure to supervise or negligent supervision of any person involving such vehicle or craft by an "insured"; or

(5) Vicarious 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 . . .

(2) Hovercraft means . . .

(3) Watercraft means . . .

(4) Motor vehicle means a "motor vehicle" as defined in 7. below.
Section II - DEFINITIONS

MOTOR VEHICILE:

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

INSURED LOCATION:

"Insured location" means:

a. The "residence premises";

b. The part of other premises, other structures and grounds 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 a 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.
The HO 2000 and later editions added the “aircraft liability, hovercraft liability, motor vehicle liability and watercraft liability”, definition as clean up language so that the exclusion starts out by eliminating these types of motorized conveyances.

Therefore, the following exclusion found under the '91 edition does not appear in these later editions.

**HO ’91 Program**

**SECTION II – MOTOR VEHICLE EXCLUSION**

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

   f. Arising out of:

   (1) The ownership, maintenance, use, loading or unloading of motor vehicles or all other motorized land conveyances, including trailers, owned or operated by or rented or loaned to an "insured";

   (2) The entrustment by an "insured" of a motor vehicle or any other motorized land conveyance to any person; or

   (3) Vicarious liability, whether or not statutorily imposed, for the actions of a child or minor using a conveyance excluded in paragraph (1) or (2) above.

**HO ’00, ’01 & ’11 Programs**

**SECTION II – 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" . . .
### Section II - Exclusions

**Coverage E – Personal Liability & Coverage F – Medical Payments**

#### HO '91 Program

This **exclusion does not apply to:**

1. A trailer not towed by or carried on a motorized land conveyance.
2. A motorized land conveyance designed for recreational use off public roads, not subject to motor vehicle registration and:
   - (a) Not owned by an "insured"; or
   - (b) Owned by an "insured" and on an "insured location";

#### HO '00 & '01 Program

2. If Exclusion A.1. does not apply, there is **still no coverage for "motor vehicle liability" unless** the "motor vehicle" is:

   **d.** Designed for recreational use off public roads **and:**

   - (1) Not owned by an "insured"; or
   - (2) Owned by an "insured" provided the "occurrence" takes place on an "insured location" as defined in Definitions B.6.a., b., d., e. or h.; or

#### HO 2011 Program

2. If Exclusion A.1. does not apply, there is **still no coverage for "motor vehicle liability" unless** the "motor vehicle" is:

   **d.** Designed for recreational use off public roads **and:**

   - (1) Not owned by an "insured"; or
   - (2) Owned by an "insured" provided the "occurrence" takes place:
     - (a) On an "insured location"
     - (b) Off an "insured location" and the "motor vehicle" is:
       - (i) Designed as a toy vehicle for use by children under seven years of age;
       - (ii) Powered by one or more batteries; and
       - (iii) Not built or modified after manufacture to exceed a speed of five miles per hour on level ground
Section II - Exclusions

Coverage E – Personal Liability & Coverage F – Medical Payments

**HO ’91 Program**

This exclusion does not apply to:

(3) A motorized golf cart when used to play golf on a golf course

**HO ’00, ’01 & ’11 Program**

2. If Exclusion A.1. does not apply, there is *still no coverage for "motor vehicle liability"* unless the "motor vehicle" is:

e. A motorized golf cart that is owned by an "insured", designed to carry up to 4 persons, not built or modified after manufacture to exceed a speed of 25 miles per hour on level ground and, at the time of an "occurrence", is within the legal boundaries of:

   (1) A golfing facility and is parked or stored there, or being used by an "insured" to: (a) Play the game of golf or for other recreational or leisure activity allowed by the facility; (b) Travel to or from an area where "motor vehicles" or golf carts are parked or stored; or (c) Cross public roads at designated points to access other parts of the golfing facility; or

   (2) A private residential community, including its public roads upon which a motorized golf cart can legally travel, which is subject to the authority of a Property owners association and contains an "insured's" residence
Section II - Exclusions

Coverage E – Personal Liability & Coverage F – Medical Payments

**HO '91 Program**

This exclusion does not apply to:

(4) A vehicle or conveyance not subject to motor vehicle registration which is:

(a) **Used to service** an "insured's" residence;

(b) Designed for assisting the handicapped; or

(c) In dead storage on an "insured location".

**HO '00 & '01 Program**

2. If Exclusion A.1. does not apply, there is still no coverage for "motor vehicle liability" unless the "motor vehicle" is:

a. In dead storage.

b. **Used solely to service an "insured's" residence;**

c. Designed to assist the handicapped and, at the time of an "occurrence", it is:

   (1) Being used to assist a handicapped person; or

   (2) Parked on an "insured location".

**HO 2011 Program**

2. If Exclusion A.1. does not apply, there is still no coverage for "motor vehicle liability", unless the "motor vehicle" is:

a. In dead storage on an "insured location";

b. **Used solely to service a residence;**

c. Designed to assist the handicapped and, at the time of an "occurrence", it is:

   (1) Being used to assist a handicapped person; or

   (2) Parked on an "insured location".