



**October 20-23, 2022 | Westin Boston Seaport District**

**10/22/2022**

**A Year of Homeowners Questions and Answers**

**1:15 PM - 2:15 PM**

**Irene Morrill**

**CEUs:1**

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# Q4U – A year of Homeowners questions and answers

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

**I was hoping you might be able to help me out. I have an insured that passed away and the house is now vacant.**

**Somewhere in the back of my head, I thought that if someone passed away, we had a year before it needed to be rewritten to a vacant property policy.**

**Do you know if this is the case or should I just cancel and rewrite it as a vacant dwelling?**

**There is a Section I and II condition in the ISO HO policy – following is HO-2000/2011 – HO-91 same**

**G. Death**

If any person named in the Declarations or the spouse, if a resident of the same household, dies, the following apply:

1. We insure the legal representative of the deceased but only with respect to the premises and property of the deceased covered under the policy at the time of death; and
2. "Insured" includes:
  - a. An "insured" who is a member of your household at the time of your death, but only while a resident of the "residence premises"; and
  - b. With respect to your property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.

**The policy does not end “immediately” according to the Section I and II condition – and it COULD last longer than one year ....but**

## HO and death of the named insured

**Once the agent knows –  
the agent has a responsibility to  
notify the carrier who can cancel  
For ANY reason if it's the first 60 days  
Per amendatory MA HO 01 20**



2. We may cancel this policy only for the reasons stated below by letting you know in writing of the date cancellation takes effect and the reason for cancellation. This cancellation notice may be delivered to you or mailed, by first class mail, to the mailing address shown in the Declarations or to your last address known to us. A United States Postal Service certificate of mailing showing your name and that address will be sufficient proof of notice.
  - a. When you have not paid the premium, whether payable to us or to our agent or under any finance or credit plan, we may cancel at any time by letting you know at least 10 days before the date cancellation takes effect.
  - b. When this policy has been in effect for less than 60 days we may cancel for any reason, other than nonpayment of premium, by letting you know at least 5 days before the date cancellation takes effect.
  - c. When this policy has been in effect 60 days or more, or after 60 days from any anniversary date, we may cancel for one or more of the following by letting you know 5 days before the date cancellation takes effect:
    - (1) Conviction of an act which increases the chances of loss under this policy;

**After 60 days for a few reasons...  
is physical changes in the property –  
being vacant**



- (2) Discovery of fraud or material misrepresentation by the "insured" in obtaining this policy;
- (3) Discovery of willful or reckless acts or omissions by the "insured" increasing the hazard insured against;
- (4) Physical changes in the property insured, which result in the property becoming uninsurable; or
- (5) A determination by the commissioner that continuation of the policy will violate or place the insurer in violation of the law.

**The MA HO 01 20 also amends  
Non-renewal provision allowing  
Carrier to non-renew with 45 days**

**D. Nonrenewal**

Ordinarily we will renew this policy automatically and send you the renewal notice. Our notice will explain what you should do if you do not want to continue the policy.

We may elect not to renew this policy. We may do so by delivering to you or mailing to you at your last mailing address shown in the Declarations, written notice at least 45 days before the expiration date of this policy.

## HO and death of the named insured

The company can also deny claims re:  
“vacancy” for:

VMM after 50 days in HO-2000  
and HO-2011 (30 days in HO-91)

building glass after 60 days  
HO-2000/2011 – 30 days HO-91

(4) Vandalism and malicious mischief, and any ensuing loss caused by any intentional and wrongful act committed in the course of the vandalism or malicious mischief, if the dwelling has been vacant for more than 60 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant;

### 9. Glass Or Safety Glazing Material

#### a. We cover:

- (1) The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window;
- (2) The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window when caused directly by earth movement; and
- (3) The direct physical loss to covered property caused solely by the pieces, fragments or splinters of broken glass or safety glazing material which is part of a building, storm door or storm window.

#### b. This coverage does not include loss:

- (1) To covered property which results because the glass or safety glazing material has been broken, except as provided in **a.(3)** above; or
- (2) On the "residence premises" if the dwelling has been vacant for more than 60 consecutive days immediately before the loss, except when the breakage results directly from earth movement as provided in **a.(2)** above. A dwelling being constructed is not considered vacant.



## HO and death of the named insured

The company can also deny claims re:  
“vacancy” for:

**Fire in MA amendatory HO 01 20**

**30 days 4 family**

**60 days 1-3 family**

**Frozen pipes – unless insured  
maintains heat  
or  
shuts off water supply**

### T. Vacancy

Unless otherwise provided in writing, we shall not be liable for loss caused by fire or lightning occurring while a described building is vacant, whether intended for occupancy by owner or tenant, beyond a period of 60 consecutive days for residential purposes of three units or less and 30 consecutive days for other residential purposes.

### C. Caused by:

- (1) Freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance, or by discharge, leakage or overflow from within the system or appliance caused by freezing. This provision does not apply if you have used reasonable care to:
  - (a) Maintain heat in the building; or
  - (b) Shut off the water supply and drain all systems and appliances of water.

**HOWEVER – some companies use the definition of “residence premises” as a weapon/exclusion – see white paper by IIABA national (the following is the HO-2000 and HO-2011. The HO-91 is different only in so far as the discussion of 1-4 families. The ISO HO-91 states 1-2 family dwelling where you reside**

**11. "Residence premises" means:**

- a. The one family dwelling where you reside;**
  - b. The two, three or four family dwelling where you reside in at least one of the family units; or**
  - c. 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.**

**If YOU don't live there - there is  
no "residence premises" which  
means**

**No Coverage A, B, D,**

**A. Coverage A – Dwelling**

1. We cover:

- a. The dwelling on the "residence premises" shown in the Declarations, including structures attached to the dwelling; and

**B. Coverage B – Other Structures**

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

**D. Coverage D – Loss Of Use**

The limit of liability for Coverage **D** is the total limit for the coverages in **1. Additional Living Expense**, **2. Fair Rental Value** and **3. Civil Authority Prohibits Use** below.

**1. Additional Living Expense**

If a loss covered under Section **I** makes that part of the "residence premises" where you reside not fit to live in, we cover any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living.

**If YOU don't live there - there is no "residence premises" which means**

**No Coverage E as it is not an "insured location" if no longer a "residence premises"**

**I'd talk to carrier and see how long they will stay on risk if they will invoke "residence premises" exclusion or "merely" vacancy exclusions**

**E. Coverage E – Personal Liability And Coverage F – Medical Payments To Others**

Coverages **E** and **F** do not apply to the following:

**4. "Insured's" Premises Not An "Insured Location"**

"Bodily injury" or "property damage" arising out of a premises:

- a.** Owned by an "insured";
  - b.** Rented to an "insured"; or
  - c.** Rented to others by an "insured";
- that is not an "insured location";

**We know sailboats under 26 feet are covered.**

**We know "outboards" with engines less than 25 HP are covered**

**What about a 22-foot rowboat with NO ENGINE?**

**Probably is... but is it unclear?**

**Borrowing is always covered**

**Sailboats under 26 feet owned or rented are covered even with a motor**

**Inboards ...never any owned ...little rented**

**Outboards no owned over 25 hsp. All rented are covered**

<b>Watercraft Liability Limitations</b>			
<b>Type of Watercraft</b>	<b>Outboard Motors</b>	<b>Inboard or I/O Motors</b>	<b>Sail Boats</b>
<b>OWNED</b>	<b>COVERED IF 25 HP OR LESS</b>	<b>NOT COVERED</b>	<b>COVERED IF LESS THAN 26 FEET</b>
<b>RENTED</b>	<b>COVERED ALL HP SIZES</b>	<b>COVERED IF LESS THAN 50 HP</b>	<b>COVERED IF LESS THAN 26 FEET</b>
<b>BORROWED</b>	<b>COVERED NO HP LIMITATION</b>	<b>COVERED NO HP LIMITATION</b>	<b>COVERED NO SIZE LIMITATION</b>
<b>LIMITATIONS DO NOT APPLY TO STORED WATERCRAFT</b>			
<b>HO 24 75 WATERCRAFT LIABILITY ENDORSEMENT REMOVES LIMITATIONS</b>			

# HO-91

**Exclusion only  
applies to craft  
propelled by engine  
Or sail**



HO-91 Section II exclusion:

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

**g.** Arising out of:

- (1) The ownership, maintenance, use, loading or unloading of an excluded watercraft described below;
- (2) The entrustment by an "insured" of an excluded watercraft described below to any person; or
- (3) Vicarious liability, whether or not statutorily imposed, for the actions of a child or minor using an excluded watercraft described below.

**Excluded watercraft are those that are principally designed to be propelled by engine power or electric motor, or are sailing vessels, whether owned by or rented to an "insured." This exclusion does not apply to watercraft:**

**(1)** That are not sailing vessels and are powered by:

- (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" if:
  - (i) You acquire them prior to the policy period; and
    - (a) You declare them at policy inception; or
    - (b) Your intention to insure is reported to us in writing within 45 days after you acquire the outboard engines or motors.
  - (ii) You acquire them during the policy period.

This coverage applies for the policy period.

**(2)** That are sailing vessels, with or without auxiliary power:

- (a) Less than 26 feet in overall length;
- (b) 26 feet or more in overall length, not owned by or rented to an "insured."

**(3)** That are stored;

### HO-2000/2011

Start with definition

And definition only

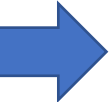
Applies to craft

Propelled by wind or

Engine

HO-2000/2011:

Definition:

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 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, flarecraft 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**

**Then exclusion**

**works the same as**

**Chart**

**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:

....

Same language regarding sailboat length and inboard and outboard issues as the HO-91

**If the craft is paddled or rowed ...the exclusion will not apply in any HO edition**

**I am hoping you can assist us with finding a solution for this client.**

**The attorney's office is asking to add an additional insured on the insurance policy to insure the person giving an easement on a personal home policy.**

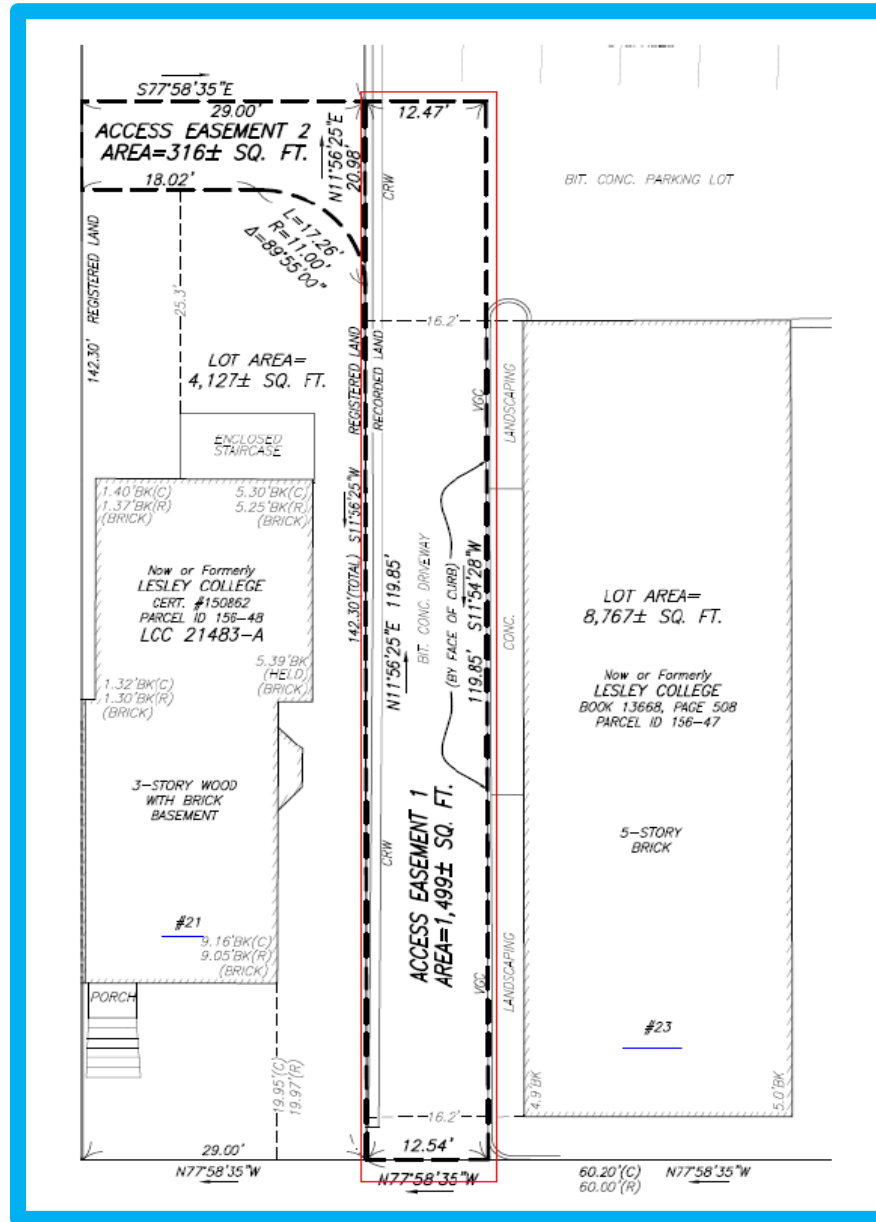
**They want liability to be taken away from the person giving the easement but also for subrogation purposes.**

**We are not able to do this on a Personal policy.**

**The client is expected to close Friday and will not be able to close if we cannot provide a solution.**

I asked ...

Is the insured allowing someone to use their property to get to some other property or does your insured need to go through someone else's property to get to their own?



And I was told

Our insured is purchasing a property with an easement. They need to access their property by using the neighbor's property.

**What the person allowing the easement wants ...and what they get ...are not necessarily the same thing**

**The ISO HO policy has no additional insured endorsement that will work.  
It DOES allow contractual assumption ...to the extent there is no other exclusion**

## The ISO HO-2000/2011 states as an exclusion under Coverage E

### F. Coverage E – Personal Liability

Coverage E does not apply to:

#### 1. Liability:

- a. For any loss assessment charged against you as a member of an association, corporation or community of property owners, except as provided in **D. Loss Assessment** under **Section II – Additional Coverages**;
- b. Under any contract or agreement entered into by an "insured". However, this exclusion does not apply to written contracts:
  - (1) That directly relate to the ownership, maintenance or use of an "insured location"; or
  - (2) Where the liability of others is assumed by you prior to an "occurrence";unless excluded in **a. above** or elsewhere in this policy;

### the insured location definition states:

#### 6. "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**;

## The ISO HO-91 exclusion states

### 2. Coverage E – Personal Liability, does not apply to:

#### a. Liability:

- (1) For any loss assessment charged against you as a member of an association, corporation or community of property owners;
- (2) Under any contract or agreement. However, this exclusion does not apply to written contracts:
  - (a) That directly relate to the ownership, maintenance or use of an "insured location"; or
  - (b) Where the liability of others is assumed by the "insured" prior to an "occurrence";unless excluded in (1) above or elsewhere in this policy;

## the HO-91 insured location definition states:

### 4. "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 in 4.a. and 4.b. above;

**Whether the ISO HO-91/2000/2011:**

**I believe that an easement that gets one to one's "residence premises" is certainly a "premises" used by you in connection with per "insured location" definition...**

**I believe a WRITTEN contract assuming the BI/PD to others on behalf of the premises owner is the best you are going to get ...  
even if there was an argument that it isn't an "insured location" – written contracts assuming BI/PD BEFORE the occurrence ...are still honored**

**But ...I have NO idea how you can make that entity an insured ...unless your insured buys an "OCP" policy – commercial policy**

Do we have a form that explains why insurance carriers are required to insure at 100% even if the amount on the mortgage is less?

I hope that's not a confusing question – I have tried everything to explain to this client the differences in replacement cost versus market value and the same question keeps coming up:

*“Shouldn't it be MY choice whether to insure more than I owe the bank? Why are the insurance companies dictating what a homeowner is allowed to do? I would be the only one carrying the risk and that risk is acceptable to me.”*



**It is a “condition of the loan” ...**

**I sent my techtalk ... with the various issues ...**

**there is a MA law that the bank CANNOT ask for MORE than the replacement value ...**

**the corollary ..**

**they HAVE the right to ask for the replacement value.**

## MGL 183:66

*183:66 Required insurance: limitation*

*Section 66. 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.*

The agent responded:

I believe I need to clarify:

- The insured wants to know specifically why an insurance policy will not allow him to carry coverage for ONLY the amount of the mortgage he has left.
- For example – current Cov A is \$1.8M – mortgage remaining is \$700K. The client wants to know why he needs to insure to value at \$1.8M when he only has \$700K left on his mortgage. Why can't he “self-insure” the rest and carry coverage at \$700K.
- Where in the contract or ISO form does it say WHY insurance companies require the insured to carry insurance to value versus only the remaining portion of their mortgage if it's less?

The agent responded:

Besides the simple answer of “why would you want to pay \$1.8M out of pocket?” is there anything else that would indicate why insurance carriers require people to insure to 100% value regardless of if they have a mortgage or not?

Hopefully that makes more sense and I’m sorry for any confusion on a Friday afternoon!

**That is a question you have to ask your carrier.**

**Even MPIUA requires 80% or the Special Loss settlement Endorsement HO 04 46 which allows a lower % of value insured ...**

**minimum 50% and still get paid on a R/C basis ...**

**BUT the premium reduction is almost negligible**

**The HO policy pays R/C if carry 80% of value – if not then pay the GREATER of  
Did/should formula (similar to co-insurance)**

**Or**

**ACV**

**So, your insured would ALWAYS get ACV loss settlement ...which is MORE than what the company is getting premium for.**

## **Home value v. mortgage value**

**Even though the rates are based on carrying 80% of value most voluntary carriers require 100% -**

**MPIUA is the only one that I know that “allows” 80% - your insured’s home is too valuable for MPIUA**

**Other than MA auto ... insurance is a “privilege” and not a “right”**

**Getting a bank loan is a “privilege” and not a “right” ...**

**Sounds like one insured that is a possible problem.**

**If the bank wants to be able to sell the loan to Fannie Mae, then there are various obligations to fulfill.**

**One of them**

For a first-lien mortgage secured by a property on which an individually held insurance policy is maintained, Fannie Mae requires coverage equal to the lesser of the following:

- 100% of the insurable value of the improvements, as established by the property insurer; or
- the unpaid principal balance of the mortgage, as long as it at least equals the minimum amount—80% of the insurable value of the improvements—required to compensate for damage or loss on a replacement cost basis. If it does not, then coverage that does provide the minimum required amount must be obtained.

### Determining the Amount of Required Property Insurance

The following table describes how to calculate the amount of required property insurance coverage:

Step	Description
1	Compare the insurable value of the improvements as established by the property insurer to the unpaid principal balance (UPB) of the loan.
1A	If the insurable value of the improvements is less than the UPB, the insurable value is the amount of coverage required.
1B	If the UPB of the loan is less than the insurable value of the improvements, go to Step 2.
2	Calculate 80% of the insurable value of the improvements.
2A	If the result of this calculation is equal to or less than the UPB of the loan, the UPB is the amount of coverage required.
2B	If the result of this calculation is greater than the UPB of the loan, this calculated figure is the amount of coverage required.

**Note:** Loan amount is used at the time of loan origination and UPB is used during servicing of the loan.



## Home value v. mortgage value

Category	Property A	Property B	Property C
Insurable Value	\$90,000	\$100,000	\$100,000
UPB	\$95,000	\$ 90,000	\$ 75,000
80% Insurable Value —		\$ 80,000	\$ 80,000
Required Coverage	\$90,000	\$ 90,000	\$ 80,000
Calculation Method	Step 1A	Step 2A	Step 2B

<b>Home value</b>	<b>1,500,000</b>
<b>UPB</b>	<b>750,000</b>
<b>80% insurable value</b>	<b>1,200,000</b>
<b>Required coverage here</b>	<b>1,200,000</b>

**Is a trust owned home eligible  
for an  
ISO HO policy????**

## **The HO-91 and the Personal Trust**

### **ISO eligibility**

#### **Rule 104 – Eligibility – HO-91**

A. Form HO 00 01, 02, 03

A Homeowners policy may be issued:

1. To the owner-occupant(s) of a dwelling which is used exclusively for private residential purposes [except as provided in General Rule 104F (incidental occupancy rule)]
- .....2. To the purchaser-occupant(s) who has entered into a long term installment contract for the purchase of the dwelling and who occupies the dwelling but to whom title does not pass from .....the seller until all the terms of the installment contract have been satisfied. The seller retains .....title until completion of the payments and in no way acts as a mortgagee. The seller's interest .....in the building and premises liability may be covered using Endorsement HO 04 41 - Additional Insured; or
3. To the occupant of a dwelling under a life estate arrangement when the Coverage A amount is at least 80% of the dwelling's replacement cost. The owner's interest in the building and premises liability may be covered using Endorsement HO 04 41 - Additional Insured; or
4. To cover dwellings in the course of construction provided the policy is issued only in the name of the intended owner-occupant(s) of the dwelling

**Can the trust be a named insured on an HO-91 policy?**

### Rule 104 – Eligibility – HO-91

A. Form HO 00 01, 02, 03

A Homeowners policy may be issued:

1. To the owner-occupant(s) of a dwelling which is used exclusively for private residential purposes [except as provided in General Rule 104F (incidental occupancy rule)]
- .....2. To the purchaser-occupant(s) who has entered into a long term installment contract for the purchase of the dwelling and who occupies the dwelling but to whom title does not pass from .....the seller until all the terms of the installment contract have been satisfied. The seller retains .....title until completion of the payments and in no way acts as a mortgagee. The seller's interest .....in the building and premises liability may be covered using Endorsement HO 04 41 - Additional Insured; or
3. To the occupant of a dwelling under a life estate arrangement when the Coverage A amount is at least 80% of the dwelling's replacement cost. The owner's interest in the building and premises liability may be covered using Endorsement HO 04 41 - Additional Insured; or
4. To cover dwellings in the course of construction provided the policy is issued only in the name of the intended owner-occupant(s) of the dwelling

**The Named insured ...must**

- 1) OCCUPY structure**
- 2) Have a Financial Interest**
- 3) Use the structure principally as residence**

## The HO-91 and the Personal Trust

**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 the care of any person named above;

**Could the Beneficiary  
Or the Trustee or  
the grantor**

**meet the eligibility requirements of  
the HO-91 policy?**

***Must ...LIVE there .....***

3. To the occupant of a dwelling under a life estate arrangement when the Coverage A amount is at least 80% of the dwelling's replacement cost. The owner's interest in the building and premises liability may be covered using Endorsement HO 04 41 - Additional Insured; or

**One could argue that the trust arrangement is  
similar to the life estate arrangement (legal  
piece of paper gives rights to someone)**

**Then ... whichever name the HO-91 policy is in ...trustee or beneficiary ....or grantor ....**

**are there other household members ...and are they related to the named insured on the HO policy?**

**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 the care of any person named above;**

**Irene Morrill named insured and trustee  
Erin ...daughter and  
beneficiary lives with her**

**If inhabitants are related to named  
insured then they will have  
insured status also**

**Then ... whichever name the HO-91 policy is in ... trustee or beneficiary ....or grantor ....**

**are there other household members ...and are they related to the named insured on the HO policy?**

**Felix Unger, named insured and trustee**

**Oscar Madison ...beneficiary  
and also lives there**

**If other inhabitants are NOT related to named insured then they will NOT have “insured” status**



**Before determining who the named insured should be,  
consider the definition of “insured” in the HO policy**

**HO-91 definition excerpt;HO-2000/HO-2011 similar**

- 3. “Insured” means you and residents of your household who are:**
- a. Your relatives; or**
  - b. Other persons under the age of 21 and in the care of any person named above.**

If You is a trust.....

Who else will get benefit of insured status by above definition?

**Inhabitants would have to protect themselves through an HO -4 Tenants policy**

**Good news ....**

**Trust gets COMPLETE named insured status**

**WORLDWIDE liability**

**Contractual liability**

**Vicarious liability**

**WORLDWIDE contents**

**Bad news ....**

**Coverage D is wasted ... since Trust doesn't "live"  
if there is a loss making home untenable ...big deal!!**

**Coverage C ...**

**Does the TRUST "own" anything?**

**Does the TRUST actually "use"  
anything????**

How about Named insured as  
the Trust (1)

*as well as*

*the occupant trustee or beneficiary (2)*

This could be done with insurance carrier approval

Only list the beneficiary, grantor or trustee who  
LIVES in the house

Best of both worlds

Real person as named insured that might

1) Have relatives living there too

2) Might actually own and use  
things

**If insurance carrier does not want to “clutter” the declarations page with numerous named insureds –**

**Then you will have to make a choice!**

**Should you opt for a living human being on the declarations page...or a thing?**

**Human being (occupant) on dec page .... (grantor,  
beneficiary or trustee)**

**Name the trust and any *nonresident* trustee or beneficiary on the**

**Additional Insured Endorsement HO 04 41**

**With Trustee/trust on AI endorsement ....**

**Get on claims check for building losses**

**Get insured status for premises liability claims**

**NO coverage for Trust for**

**contractual liability issues if N/A to premises  
off premises exposures (vicarious liability)**

HOMEOWNERS  
HO 04 41 04 91

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### **ADDITIONAL INSURED**

Residence Premises

Name and Address of Person or Organization\*

Interest\*

The definition of "insured" in this policy includes the person or organization named above with respect to:

#### **SECTION I**

Coverage A – Dwelling and Coverage B – Other Structures; and



#### **SECTION II**

Coverage E – Personal Liability and Coverage F – Medical Payments to Others but only with respect to the "residence premises."



This coverage does not apply to "bodily injury" to any employee arising out of or in the course of the employee's employment by the person or organization.

If we decide to cancel or not to renew this policy, the party named above will be notified in writing.



\*Entries may be left blank if shown elsewhere in this policy for this coverage.

All other provisions of this policy apply.



**An HO-91 carrier can reject adding the trust to the HO 04 41....**

**Can reject the trust entirely**

**Totally optional**

# The HO-2000 and the Personal Trust

## Can a trust be a named insured?

### Rule 104 – Eligibility – HO-2000

#### A. Form HO 00 01, 02, 03, 05

A Homeowners policy may be issued:

1. To the owner-occupant(s) of a 1,2,3, or 4 family dwelling which is used exclusively for private residential purposes (**except as provided in paragraphs F and H**). A 1 family dwelling may not be occupied by more than one additional family or two roomers or boarders. In a 2,3, or 4 family dwelling, an individual family unit may not be occupied by more than two families or one family with two roomers or boarders; or
2. To the purchaser-occupant(s) who has entered into a long term installment contract for the .....same as HO-91
3. To the occupant of a dwelling under a life estate arrangement .....same as HO-91
4. To cover dwellings in the course of construction ,,,,same as HO-91

#### H. Residence Held in Trust (All Forms Except HO 00 04)

A Homeowners policy may be issued in the name of a trust and trustee(s) when legal title to a 1 through 4 family dwelling or a condominium unit is held solely by the trust and:

1. The trustee and/or beneficiary or grantor regularly reside in the residence held in trust and
2. The residence held in trust is used exclusively for residential purposes, except as provided in Paragraph F

Refer to Rule 526 for the rule of application.

### RULE 525. MOTORIZED GOLF CART – PHYSICAL LOSS COVERAGE (Cont'd)

#### F. Endorsement

Use Owned Motorized Golf Cart – Physical Loss Coverage Endorsement **HO 05 28**.

### RULE 526. RESIDENCE HELD IN TRUST ALL FORMS EXCEPT HO 00 04

#### A. Trust And Trustee – Named Insured

A Homeowners policy may be issued in the name of both the trust and trustee when:

1. The residence held in trust is a 1, 2, 3, or 4 family dwelling or a condominium unit used exclusively for residential purposes, except as provided in Rule **104.F.**;
2. Legal title to the dwelling or condominium unit is held solely by the trust;
3. The resident of the residence held in trust include at least one of the following: the trustee, the grantor of the trust, or the beneficiary of the trust; and
4. The trust and trustee are both shown as the named insured on the policy declarations, regardless of who resides in the residence held in trust.

#### B. Endorsement

Use Residence Held In Trust Endorsement **HO 05 43**.

#### C. Other Persons Insured – Grantor And/Or Beneficiary Regularly Resides In The Residence Held In Trust

1. If the trustee regularly resides in the residence held in trust along with the grantor or beneficiary and the grantor and/or beneficiary:
  - a. Is related to the trustee and is a member of the trustee's household, the grantor and/or beneficiary is an insured as defined in the policy form and should **not** be named in Endorsement **HO 05 43**; or
  - b. Is **not** related to the trustee, or is related but not a member of the trustee's household, the grantor and/or beneficiary must be named in Endorsement **HO 05 43** to be covered for personal property, additional living expenses, personal liability and medical payments to others. If the grantor and beneficiary are related to each other and members of the same household, only one of the two should be named on the endorsement.

2. If the trustee does **not** regularly reside in the residence held in trust, the grantor and/or beneficiary must be named in Endorsement **HO 05 43** whether or not they are related to the trustee. This is necessary to provide the grantor or beneficiary with coverage for personal property, additional living expenses, personal liability and medical payments to others. If the grantor and beneficiary are related to each other and members of the same household, only one of the two should be named on the endorsement.

#### D. Liability Coverage Explained

1. Coverage **E – Personal Liability and Coverage F – Medical Payments To Others** is provided to the trust and trustee named insured who regularly resides on the residence premises. However, if the trustee named insured does **not** regularly reside on the residence premises, coverage for the trust and trustee is **only** provided for bodily injury or property damage arising out of the ownership, maintenance or use of the residence premises (premises liability).
2. Endorsement **HO 05 43** excludes:
  - a. Liability coverage for claims or suits for bodily injury or property damage arising out of any act or decision or failure to act or decide by the trustee named insured in administering the trust except as provided in Paragraph 1.; and
  - b. Liability coverage for bodily injury to all insureds covered under this policy, for example, the trustee named insured, the grantor or beneficiary of the trust who is named on the endorsement or any person acting on their behalf.

#### E. Additional Conditions

The policy may **not** be endorsed or extended to insure:

1. Under Section I, any other dwelling on the residence premises, or any other structure, on or away from the residence premises, unless legal title to that other dwelling or structure is held solely by the trust; or
2. Under Section II, any location away from the residence premises unless legal title to that other location is held solely by the trust.

#### F. Premium

Additional charges are provided for the trustee and any beneficiary and/or grantor. These charges reflect Section II – Liability basic limits.

##### 1. Trustee

The charge for the trustee applies whether or not the trustee resides on the residence premises. Refer to state company rates for this additional charge.

# HO-2000 Residence held in trust rule

**RULE 526.  
RESIDENCE HELD IN TRUST ALL FORMS EXCEPT  
HO 00 04**

**A. Trust And Trustee – Named Insured**

A Homeowners policy may be issued in the name of both the trust and trustee when:

1. The residence held in trust is a 1, 2, 3, or 4 family dwelling or a condominium unit used exclusively for residential purposes, except as provided in Rule 104.F.;
2. Legal title to the dwelling or condominium unit is held solely by the trust;
3. The resident of the residence held in trust include at least one of the following: the trustee, the grantor of the trust, or the beneficiary of the trust; and
4. The trust and trustee are both shown as the named insured on the policy declarations, regardless of who resides in the residence held in trust.

**B. Endorsement**

**House owned  
SOLEY by trust**

**Either the trustee,  
grantor or  
beneficiary MUST  
live in house**

**Trust and trustee  
on Dec page**

What about insured status  
for other occupants?

**C. Other Persons Insured – Grantor And/Or Beneficiary Regularly Resides In The Residence Held In Trust**

1. If the trustee regularly resides in the residence held in trust along with the grantor or beneficiary and the grantor and/or beneficiary:

a. Is related to the trustee and is a member of the trustee's household, the grantor and/or beneficiary is an insured as defined in the policy form and should **not** be named in Endorsement **HO 05 43**; or

b. Is **not** related to the trustee, or is related but not a member of the trustee's household, the grantor and/or beneficiary must be named in Endorsement **HO 05 43** to be covered for personal property, additional living expenses, personal liability and medical payments to others. If the grantor and beneficiary are related to each other and members of the same household, only one of the two should be named on the endorsement.

2. If the trustee does **not** regularly reside in the residence held in trust, the grantor and/or beneficiary must be named in Endorsement **HO 05 43** whether or not they are related to the trustee. This is necessary to provide the grantor or beneficiary with coverage for personal property, additional living expenses, personal liability and medical payments to others. If the grantor and beneficiary are related to each other and members of the same household, only one of the two should be named on the endorsement.



When trustee *lives in trust owned home* *with* grantor and/or beneficiary :

And trustee is **RELATED** to grantor and/or beneficiary attach **HO 05 43 Residence Held in Trust** but do **NOT** name **ANYONE** on the endorsement

**C. Other Persons Insured – Grantor And/Or Beneficiary Regularly Resides In The Residence Held In Trust**

1. If the trustee regularly resides in the residence held in trust along with the grantor or beneficiary and the grantor and/or beneficiary:

a. Is related to the trustee and is a member of the trustee's household, the grantor and/or beneficiary is an insured as defined in the policy form and should **not** be named in Endorsement **HO 05 43**; or

b. Is **not** related to the trustee, or is related but not a member of the trustee's household, the grantor and/or beneficiary must be named in Endorsement **HO 05 43** to be covered for personal property, additional living expenses, personal liability and medical payments to others. If the grantor and beneficiary are related to each other and members of the same household, only one of the two should be named on the endorsement.

2. If the trustee does **not** regularly reside in the residence held in trust, the grantor and/or beneficiary must be named in Endorsement **HO 05 43** whether or not they are related to the trustee. This is necessary to provide the grantor or beneficiary with coverage for personal property, additional living expenses, personal liability and medical payments to others. If the grantor and beneficiary are related to each other and members of the same household, only one of the two should be named on the endorsement.

When trustee *lives in trust owned home with* grantor and/or beneficiary :

If trustee is NOT related to grantor and/or beneficiary then you *MUST name the grantor and/or beneficiary* on HO 05 43 to provide them with:

- 1) Personal Property coverage
- 2) Add'l Living Expense coverage
- 3) Personal Liability and MP to others



## Insuring the personal trust

### C. Other Persons Insured – Grantor And/Or Beneficiary Regularly Resides In The Residence Held In Trust

1. If the trustee regularly resides in the residence held in trust along with the grantor or beneficiary and the grantor and/or beneficiary:

- a. Is related to the trustee and is a member of the trustee's household, the grantor and/or beneficiary is an insured as defined in the policy form and should **not** be named in Endorsement **HO 05 43**; or
- b. Is **not** related to the trustee, or is related but not a member of the trustee's household, the grantor and/or beneficiary must be named in Endorsement **HO 05 43** to be covered for personal property, additional living expenses, personal liability and medical payments to others. If the grantor and beneficiary are related to each other and members of the same household, only one of the two should be named on the endorsement.

2. If the trustee does **not** regularly reside in the residence held in trust, the grantor and/or beneficiary must be named in Endorsement **HO 05 43** whether or not they are related to the trustee. This is necessary to provide the grantor or beneficiary with coverage for personal property, additional living expenses, personal liability and medical payments to others. If the grantor and beneficiary are related to each other and members of the same household, only one of the two should be named on the endorsement.

If trustee does NOT live in trust  
owned home

but

grantor

and/or beneficiary does you MUST

NAME this/these individual(s) on

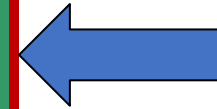
the HO 05 43 to provide them with:

- 1) Personal Property coverage
- 2) Add'l Living Expense coverage
- 3) Personal Liability and MP to others coverage

**If grantor and beneficiary are related and living in same trust owned household, then only need to list one of them**

### D. Liability Coverage Explained

1. Coverage **E** – Personal Liability and Coverage **F** – Medical Payments To Others is provided to the trust and trustee named insured who regularly resides on the residence premises. However, if the trustee named insured does **not** regularly reside on the residence premises, coverage for the trust and trustee is **only** provided for bodily injury or property damage arising out of the ownership, maintenance or use of the residence premises (premises liability).
2. Endorsement **HO 05 43** excludes:
  - a. Liability coverage for claims or suits for bodily injury or property damage arising out of any act or decision or failure to act or decide by the trustee named insured in administering the trust except as provided in Paragraph 1.; and
  - b. Liability coverage for bodily injury to all insureds covered under this policy, for example, the trustee named insured, the grantor or beneficiary of the trust who is named on the endorsement or any person acting on their behalf.



**Trustee ONLY  
receives premises  
liability if he/she  
does NOT live in  
trust owned  
home**



**E. Additional Conditions**

The policy may **not** be endorsed or extended to insure:

1. Under Section I, any other dwelling on the residence premises, or any other structure, on or away from the residence premises, unless legal title to that other dwelling or structure is held solely by the trust; or
2. Under Section II, any location away from the residence premises unless legal title to that other location is held solely by the trust

**No extension of liability to other premises unless solely owned by trust**

**F. Premium**

Additional charges are provided for the trustee and any beneficiary and/or grantor. These charges reflect Section II – Liability basic limits.

**1. Trustee**

The charge for the trustee applies whether or not the trustee resides on the residence premises. Refer to state company rates for this additional charge.

**2. Beneficiary And/Or Grantor**

- a. Refer to state company rates for additional charge when either the beneficiary or grantor is named in the endorsement
- b. Refer to state company rates for additional charge when both the beneficiary and grantor are named in the endorsement.

**Each name that is listed on the endorsement costs \$26.00 for the basic limits ... more if higher limits on policy**

**The HO 05 43 is NOT free**

**Just to HAVE the endorsement is a premium charge (Fairplan charges \$26.00 for MINIMUM liability limits ...one must apply increased liability limits factor if Coverage E and F are higher than basic \$100,000/1,000)**

## Trust and Trustee are BOTH named on Declarations page

**If trustee lives in the house**

**Anyone living in the house that is  
related to the trustee is**

**AUTOMATICALLY an “insured” per  
policy definition**

**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 the care of any person named above;**

## **Trust and Trustee are BOTH named on Declarations page**

**If trustee NOT LIVE IN HOUSE**

**And beneficiary, grantor does ...**

**then must add them to HO 05 43 Residence  
Held in Trust endorsement**

**so they get insured status under HO policy**



**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 the care of any person named above;**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## RESIDENCE HELD IN TRUST

### SCHEDULE\*

Enter Name of Grantor or Beneficiary (if other than the Trustee shown in the Declarations as the "named insured") described in A.2. below:

\*Entries may be left blank if shown elsewhere in this policy.

#### A. Definitions

1. With respect to the coverages provided by this endorsement, the word "trustee" is defined as follows:

"Trustee" means the trustee shown in the Declarations as the "named insured".

2. If one or more persons are named in the Schedule above, Definition 5, which defines "insured", Paragraphs a. and b. are extended to include such person with respect to the coverages in the policy that are listed under B. Coverages below.

In addition to the persons named in the Schedule, the definition of "insured" is also extended to include any of the following residents of their household:

- a. A spouse;
- b. A relative; or
- c. Any person under the age of 21 and in the care of a person noted above.

3. Definition 6, which defines "insured location" is deleted and replaced by the following:

6. "Insured Location" means:

- a. With respect to the trust and the "trustee", the following real property but only if legal title to such property is held solely by the trust:

- (1) The "residence premises";
- (2) The part of other premises, other structures and grounds used by you as a residence; and

(a) Which is shown in the Declarations; or

- (b) Which is acquired by the trust during the policy period for use as a residence by the "trustee" or a person described in 2. above;

- (3) Any premises used by the "trustee" or a person described in 2. above in connection with a premises described in (1) and (2) above;

- (4) Vacant land, other than farm land;

- (5) Land on which a one through four family dwelling is being built as a residence to be occupied by the "trustee" or a person described in 2. above; or

- (6) Individual or family cemetery plots or burial vaults; and

- b. With respect to a person described in 2. above, the following real property:

- (1) Any premises used by such person in connection with a premises described in a.(1) and (2) above;

- (2) Vacant land, other than farm land, owned or rented to such person;

- (3) Land owned by or rented to such person on which a one through four family dwelling is being built as a residence to be occupied by that person;

- (4) Individual or family cemetery plots or burial vaults; or

The HO 05 43 has an open schedule section at the top to list beneficiaries and grantors living in the home:

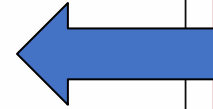
*Who are NOT related to the trustee (trustee Oscar Madison ... beneficiary Felix Unger)*

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## RESIDENCE HELD IN TRUST

### SCHEDULE\*

Enter Name of Grantor or Beneficiary (if other than the Trustee shown in the Declarations as the "named insured") described in A.2. below:



\*Entries may be left blank if shown elsewhere in this policy.

#### A. Definitions

1. With respect to the coverages provided by this endorsement, the word "trustee" is defined as follows:

"Trustee" means the trustee shown in the Declarations as the "named insured".

2. If one or more persons are named in the Schedule above, Definition 5, which defines "insured", Paragraphs a. and b. are extended to include such person with respect to the coverages in the policy that are listed under B. Coverages below.

In addition to the persons named in the Schedule, the definition of "insured" is also extended to include any of the following residents of their household:

- a. A spouse;
- b. A relative; or
- c. Any person under the age of 21 and in the care of a person noted above.

3. Definition 6, which defines "insured location" is deleted and replaced by the following:

6. "Insured Location" means:

- a. With respect to the trust and the "trustee", the following real property but only if legal title to such property is held solely by the trust:

- (1) The "residence premises";
- (2) The part of other premises, other structures and grounds used by you as a residence; and

- (a) Which is shown in the Declarations; or

- (b) Which is acquired by the trust during the policy period for use as a residence by the "trustee" or a person described in 2. above;

- (3) Any premises used by the "trustee" or a person described in 2. above in connection with a premises described in (1) and (2) above;

- (4) Vacant land, other than farm land;

- (5) Land on which a one through four family dwelling is being built as a residence to be occupied by the "trustee" or a person described in 2. above; or

- (6) Individual or family cemetery plots or burial vaults; and

- b. With respect to a person described in 2. above, the following real property:

- (1) Any premises used by such person in connection with a premises described in a.(1) and (2) above;

- (2) Vacant land, other than farm land, owned or rented to such person;

- (3) Land owned by or rented to such person on which a one through four family dwelling is being built as a residence to be occupied by that person;

- (4) Individual or family cemetery plots or burial vaults; or

The HO 05 43 has a open schedule section at the top to list beneficiaries and grantors living in the home:

Who are related to the trustee, but the trustee does NOT live in the home

*(Trustee Irene Morrill ... who lives in NH home – home owned by trust located in MA where her daughter, the beneficiary lives)*

**The RULE states:**

**do NOT list anyone on this endorsement**  
**who**  
**is related to**  
**the trustee that lives in the home**

**So ...**

**ISO HO-2000**

**policy gets issued in the name of the  
Trust and the trustee ...**

**regardless of whether the trustee lives  
in the house or not**



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

RESIDENCE HELD IN TRUST

SCHEDULE\*

Enter Name of Grantor or Beneficiary (if other than the Trustee shown in the Declarations as the "named insured") described in A.2. below:

\*Entries may be left blank if shown elsewhere in this policy.

A. Definitions

1. With respect to the coverages provided by this endorsement, the word "trustee" is defined as follows:

"Trustee" means the trustee shown in the Declarations as the "named insured".

2. If one or more persons are named in the Schedule above, Definition 5. which defines "insured", Paragraphs a. and b. are extended to include such person with respect to the coverages in the policy that are listed under B. Coverages below.

In addition to the persons named in the Schedule, the definition of "insured" is also extended to include any of the following residents of their household:

- a. A spouse;
- b. A relative; or
- c. Any person under the age of 21 and in the care of a person noted above.

3. Definition 6. which defines "insured location" is deleted and replaced by the following:

6. "Insured Location" means:

- a. With respect to the trust and the "trustee", the following real property but only if legal title to such property is held solely by the trust:

- (1) The "residence premises";
- (2) The part of other premises, other structures and grounds used by you as a residence; and

- (a) Which is shown in the Declarations; or

- (b) Which is acquired by the trust during the policy period for use as a residence by the "trustee" or a person described in 2. above;

- (3) Any premises used by the "trustee" or a person described in 2. above in connection with a premises described in (1) and (2) above;

- (4) Vacant land, other than farm land;

- (5) Land on which a one through four family dwelling is being built as a residence to be occupied by the "trustee" or a person described in 2. above; or

- (6) Individual or family cemetery plots or burial vaults; and

- b. With respect to a person described in 2. above, the following real property:

- (1) Any premises used by such person in connection with a premises described in a.(1) and (2) above;

- (2) Vacant land, other than farm land, owned or rented to such person;

- (3) Land owned by or rented to such person on which a one through four family dwelling is being built as a residence to be occupied by that person;

- (4) Individual or family cemetery plots or burial vaults; or

I put my house in a trust.  
I am the trustee.  
My daughter, Erin,  
is the beneficiary.  
She lives with me.

We put the policy in the  
name of the Morrill  
Trust and  
Irene Morrill, trustee.

Will Irene be an  
insured?? YES

Will Erin be an insured? YES

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 the care of any person named above;

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.  
**RESIDENCE HELD IN TRUST**

SCHEDULE\*

Enter Name of Grantor or Beneficiary (if other than the Trustee shown in the Declarations as the "named insured") described in A.2. below:

**Erin**

\*Entries may be left blank if shown elsewhere in this policy.

A. Definitions

1. With respect to the coverages provided by this endorsement, the word "trustee" is defined as follows:

"Trustee" means the trustee shown in the Declarations as the "named insured".

2. If one or more persons are named in the Schedule above, Definition 5, which defines "insured", Paragraphs a. and b. are extended to include such person with respect to the coverages in the policy that are listed under B. Coverages below.

In addition to the persons named in the Schedule, the definition of "insured" is also extended to include any of the following residents of their household:

- a. A spouse;
- b. A relative; or
- c. Any person under the age of 21 and in the care of a person noted above.

3. Definition 6, which defines "insured location" is deleted and replaced by the following:

6. "Insured Location" means:

- a. With respect to the trust and the "trustee", the following real property but only if legal title to such property is held solely by the trust:
  - (1) The "residence premises";
  - (2) The part of other premises, other structures and grounds used by you as a residence; and
- (a) Which is shown in the Declarations; or

- (b) Which is acquired by the trust during the policy period for use as a residence by the "trustee" or a person described in 2. above;
- (3) Any premises used by the "trustee" or a person described in 2. above in connection with a premises described in (1) and (2) above;
- (4) Vacant land, other than farm land;
- (5) Land on which a one through four family dwelling is being built as a residence to be occupied by the "trustee" or a person described in 2. above; or
- (6) Individual or family cemetery plots or burial vaults; and
- b. With respect to a person described in 2. above, the following real property:
  - (1) Any premises used by such person in connection with a premises described in a.(1) and (2) above;
  - (2) Vacant land, other than farm land, owned or rented to such person;
  - (3) Land owned by or rented to such person on which a one through four family dwelling is being built as a residence to be occupied by that person;
  - (4) Individual or family cemetery plots or burial vaults; or

I put my house in a trust.  
I am the trustee. I do not live there

My daughter, Erin,  
is the beneficiary and  
she lives there

We put the policy in the  
name of the  
Morrill Trust and  
Irene Morrill, trustee.

Will Irene be an insured??

Not unless on endorsement  
Will Erin be an insured?

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 the care of any person named above;

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## RESIDENCE HELD IN TRUST

### SCHEDULE\*

Enter Name of Grantor or Beneficiary (if other than the Trustee shown in the Declarations as the "named insured") described in A.2. below:

\*Entries may be left blank if shown elsewhere in this policy.

#### A. Definitions

1. With respect to the coverages provided by this endorsement, the word "trustee" is defined as follows:

"Trustee" means the trustee shown in the Declarations as the "named insured".

2. If one or more persons are named in the Schedule above, Definition 5, which defines "insured", Paragraphs a. and b. are extended to include such person with respect to the coverages in the policy that are listed under B. Coverages below.

In addition to the persons named in the Schedule, the definition of "insured" is also extended to include any of the following residents of their household:

- a. A spouse;
- b. A relative; or
- c. Any person under the age of 21 and in the

3. Definition 6, which defines "insured location" is deleted and replaced by the following:

6. "Insured Location" means:

- a. With respect to the trust and the "trustee", the following real property but only if legal title to such property is held solely by the trust:

- (1) The "residence premises";
- (2) The part of other premises, other structures and grounds used by you as a residence; and

- (a) Which is shown in the Declarations; or

- (b) Which is acquired by the trust during the policy period for use as a residence by the "trustee" or a person described in 2. above;

- (3) Any premises used by the "trustee" or a person described in 2. above in connection with a premises described in (1) and (2) above;

- (4) Vacant land, other than farm land;

- (5) Land on which a one through four family dwelling is being built as a residence to be occupied by the "trustee" or a person described in 2. above; or

- (6) Individual or family cemetery plots or burial vaults; and

- b. With respect to a person described in 2. above, the following real property:

- (1) Any premises used by such person in connection with a premises described in a.(1) and (2) above;

- (2) Vacant land, other than farm land, owned or rented to such person;

- (3) Land owned by or rented to such person on which a one through four family dwelling is being built as a residence to be occupied by that person;

- (4) Individual or family cemetery plots or burial vaults; or

**Endorsement  
DELETES and  
REPLACES the  
definition of insured  
location ....  
and in doing so ..  
some of locations  
normally considered  
"insured" are lost**

## Insured location definition sections in italics are messed up or removed in Residence Held in Trust Endorsement

(definition normally found in HO policy)

6. "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.*

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## RESIDENCE HELD IN TRUST

### SCHEDULE\*

Enter Name of Grantor or Beneficiary (if other than the Trustee shown in the Declarations as the "named insured") described in A.2. below:

\*Entries may be left blank if shown elsewhere in this policy.

#### A. Definitions

1. With respect to the coverages provided by this endorsement, the word "trustee" is defined as follows:

"Trustee" means the trustee shown in the Declarations as the "named insured".

2. If one or more persons are named in the Schedule above, Definition 5, which defines "insured", Paragraphs a. and b. are extended to include such person with respect to the coverages in the policy that are listed under B. Coverages below.

In addition to the persons named in the Schedule, the definition of "insured" is also extended to include any of the following residents of their household:

- a. A spouse;
- b. A relative; or
- c. Any person under the age of 21 and in the household.

3. Definition 6, which defines "insured location" is deleted and replaced by the following:

6. "Insured Location" means:

- a. With respect to the trust and the "trustee", the following real property but only if legal title to such property is held solely by the trust:

- (1) The "residence premises";
- (2) The part of other premises, other structures and grounds used by you as a residence; and

- (a) Which is shown in the Declarations;

- (b) Which is acquired by the trust during the policy period for use as a residence by the "trustee" or a person described in 2. above;

- (3) Any premises used by the "trustee" or a person described in 2. above in connection with a premises described in (1) and (2) above;

- (4) Vacant land, other than farm land;

- (5) Land on which a one through four family dwelling is being built as a residence to be occupied by the "trustee" or a person described in 2. above; or

- (6) Individual or family cemetery plots or burial vaults; and

- b. With respect to a person described in 2. above, the following real property:

- (1) Any premises used by such person in connection with a premises described in a.(1) and (2) above;

- (2) Vacant land, other than farm land, owned or rented to such person;

- (3) Land owned by or rented to such person on which a one through four family dwelling is being built as a residence to be occupied by that person;

- (4) Individual or family cemetery plots or burial vaults; or

What if Erin is getting married and Irene rents a function room for the wedding reception. Will that be an insured location?

Back to Irene and Erin live in home

NO, NO, NO!!! The definition of "insured location" for the trust and the trustee does not include

- h. Any part of a premises occasionally rented to an "insured" for other than "business" use.



## Endorsement definition

3. Definition 6, which defines "insured location" is deleted and replaced by the following:

6. "Insured Location" means:

a. With respect to the trust and the "trustee", the following real property but only if legal title to such property is held solely by the trust:

(1) The "residence premises";

(2) The part of other premises, other structures and grounds used by you as a residence; and

(a) Which is shown in the Declarations; or

(b) Which is acquired by the trust during the policy period for use as a residence by the "trustee" or a person described in 2. above;

(3) Any premises used by the "trustee" or a person described in 2. above in connection with a premises described in (1) and (2) above;

(4) Vacant land, other than farm land;

(5) Land on which a one through four family dwelling is being built as a residence to be occupied by the "trustee" or a person described in 2. above; or

(6) Individual or family cemetery plots or burial vaults; and

## ISO HO definition

6. "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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## RESIDENCE HELD IN TRUST

### SCHEDULE\*

Enter Name of Grantor or Beneficiary (if other than the Trustee shown in the Declarations as the "named insured") described in A.2. below:

\*Entries may be left blank if shown elsewhere in this policy.

#### A. Definitions

1. With respect to the coverages provided by this endorsement, the word "trustee" is defined as follows:

"Trustee" means the trustee shown in the Declarations as the "named insured".

2. If one or more persons are named in the Schedule above, Definition 5, which defines "insured", Paragraphs a. and b. are extended to include such person with respect to the coverages in the policy that are listed under B. Coverages below.

In addition to the persons named in the Schedule, the definition of "insured" is also extended to include any of the following residents of their household:

- a. A spouse;
- b. A relative; or
- c. Any person under the age of 21 and in the care of a person noted above.

3. Definition 6, which defines "insured location" is deleted and replaced by the following:

6. Insured Location means:

- a. With respect to the trust and the "trustee", the following real property but only if legal title to such property is held solely by the trust:

- (1) The "residence premises";
- (2) The part of other premises, other structures and grounds used by you as a residence; and

- (a) Which is shown in the Declarations; or

- (b) Which is acquired by the trust during the policy period for use as a residence by the "trustee" or a person described in 2. above;

- (3) Any premises used by the "trustee" or a person described in 2. above in connection with a premises described in (1) and (2) above;

- (4) Vacant land, other than farm land;

- (5) Land on which a one through four family dwelling is being built as a residence to be occupied by the "trustee" or a person described in 2. above; or

- (6) Individual or family cemetery plots or burial vaults; and

- b. With respect to a person described in 2. above, the following real property:

- (1) Any premises used by such person in connection with a premises described in a.(1) and (2) above;

- (2) Vacant land, other than farm land, owned or rented to such person;

- (3) Land owned by or rented to such person on which a one through four family dwelling is being built as a residence to be occupied by that person;

- (4) Individual or family cemetery plots or burial vaults; or

If name someone on the endorsement who lives in household...

such as beneficiary or grantor

Then the insured location definition is again changed

- (5) Any part of a premises occasionally rented to such person for other than "business" use; and

- c. With respect to the "trustee" or a person described in 2. above, any part of a premises:

- (1) Not owned by such person; and

- (2) Where such person is temporarily residing.

## Endorsement definition

### If NAME someone

- b. With respect to a person described in 2. above, the following real property:
- (1) Any premises used by such person in connection with a premises described in a.(1) and (2) above;
  - (2) Vacant land, other than farm land, owned or rented to such person;
  - (3) Land owned by or rented to such person on which a one through four family dwelling is being built as a residence to be occupied by that person;
  - (4) Individual or family cemetery plots or burial vaults; or
  - (5) Any part of a premises occasionally rented to such person for other than "business" use; and
- c. With respect to the "trustee" or a person described in 2. above, any part of a premises:
- (1) Not owned by such person; and
  - (2) Where such person is temporarily residing.

## ISO HO definition

5. "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.





*Problems with revised definition of insured location*

Only cover premises newly acquired by trust ...not  
Trustee

ALL insureds - except the trustee - lose the ability to  
consider a temporary residence an insured location  
(rent hotel room or beach house)

ALL insureds (including trustee) lose ability to rent a  
portion of premises...  
such as function room for bridal shower or wedding  
or party

## Insuring the personal trust

- (5) Any part of a premises occasionally rented to such person for other than "business" use; and
- c. With respect to the "trustee" or a person described in 2. above, any part of a premises:
- (1) Not owned by such person; and
  - (2) Where such person is temporarily residing.
- B. Coverages**
- The following coverages apply named in the Schedule above:
1. Coverage C – Personal Property;
  2. Coverage D – Loss of Use, Pain and Additional Living Expense and 3. Coverage E – Prohibits Use;
  3. Coverage E – Personal Liability; and
  4. Coverage F – Medical Payments To Others
- If we decide to cancel or not to renew the policy with respect to the persons named in the Schedule, if notified in writing.
- C. Section II – Liability Coverages**
- The following is added:
- When the "trustee" does not regularly reside at the "residence premises":
1. The coverages provided under Coverage E – Personal Liability and Coverage F – Medical Payments To Others for the "trustee" with respect to "bodily injury" or "property damage" arising out of the ownership, maintenance or use of the "residence premises"; and
2. There is no coverage under this policy for any resident of the "trustee's" household.
- D. Section II – Exclusions**
1. Coverage E – Personal Liability And Coverage F – Medical Payments To Others
- The following exclusion is added:
- "Bodily injury" or "property damage" arising out of any act or decision or failure to act or decide by the "trustee" in administering the trust shown in the Declarations, other than as provided in the Declarations.
- b. With respect to a person described in 2. above, the following real property:
- (1) Any premises used by such person in connection with a premises described in a.(1) and (2) above;
  - (2) Vacant land, other than farm land, owned or rented to such person;
  - (3) Land owned by or rented to such person on which a one through four family dwelling is being built as a residence to be occupied by that person;
  - (4) Individual or family cemetery plots or burial vaults; or

If someone is LISTED on the endorsement

...

then the definition of "insured location" is returned ....

(for other than extending coverage to another residence)

Remember ... I'm grantor and trustee and live in house ... with my daughter Erin ... HO 05 43 – but NOT list anyone per rule

*This endorsement is NOT perfect! ....*

*What we should do is List Erin on the Schedule section of HO 05 43 ....*

*And then rent the function room in HER name*

If we DON'T list someone on this endorsement schedule then the definition of “insured location” is restricted for ALL who find insured status

## Insuring the personal trust

- (5) Any part of a premises occasionally rented to such person for other than "business" use; and
- c. With respect to the "trustee" or a person described in 2. above, any part of a premises:
  - (1) Not owned by such person; and
  - (2) Where such person is temporarily residing.

### B. Coverages

The following coverages apply to the person named in the Schedule above:

1. Coverage C – Personal Property;
2. Coverage D – Loss of Use, Paragraphs 1. Additional Living Expense and 3. Civil Authority Prohibits Use;
3. Coverage E – Personal Liability; and
4. Coverage F – Medical Payments To Others.

If we decide to cancel or not to renew this policy, the persons named in the Schedule, if any, will be notified in writing.

### C. Section II – Liability Coverages

The following is added:

When the "trustee" does not regularly reside on the "residence premises":

1. The coverages provided under Coverage E – Personal Liability and Coverage F – Medical Payments To Others for the "trustee" only apply with respect to "bodily injury" or "property damage" arising out of the ownership, maintenance or use of the "residence premises"; and

2. There is no coverage under this policy for any resident of the "trustee's" household.

### D. Section II – Exclusions

1. Coverage E – Personal Liability And Coverage F – Medical Payments To Others

The following exclusion is added:

"Bodily injury" or "property damage" arising out of any act or decision or failure to act or decide by the "trustee" in administering the trust shown in the Declarations, other than as provided in Section II – Liability Coverages above.

2. Coverage E – Personal Liability

Paragraph 6. is deleted and replaced by the following:

6. "Bodily injury" to the "trustee", an "insured" as defined under Definitions 5.a. or b. in the policy form and A.2. above or any person acting on their behalf.

This exclusion also applies to any claim made or suit brought against the "trustee" or an "insured" as defined under Definitions 5.a. or b. in the policy form and A.2. above or any person acting on their behalf:

- a. To repay; or
- b. Share damages with;  
another person who may be obligated to pay damages because of "bodily injury" to an "insured".

All other provisions of this policy apply.

**Trustee who  
doesn't live  
there gets  
limited  
coverage**

**1) Reinforces  
only gets  
"premises  
liability"**

**2) Trustee  
household  
members  
also not  
insureds**

## **Insuring the personal trust**

### **Example:**

**Irene Morrill puts house in name of trust and made herself trustee. Her daughter, Erin, is the beneficiary.**

**Both Irene and Erin live in the house**

**Rule states ...**

**issue policy to Trust and Irene Morrill,  
trustee.**

**Add this endorsement but do NOT list  
anyone on it.**

**Erin, the beneficiary, would be an insured under the  
policy as she is a resident relative of Irene**

**However, if Erin is getting married and Irene or Erin rents the function room for the wedding it is NOT an “insured location” under the policy.**

**IF Erin is LISTED on the endorsement ... then the insured location definition is given back ... for “any part of a premises occasionally rented to such person for other than business use”**

**Trust example #1a**

***HO policy named insured:***

***HO 05 43 on policy - no names listed on endorsement***

***B/I/M Trust***

***Irene and Charles(Bud) Morrill, Trustees***

***Irene and Bud live in house with daughter Erin who also happens to be the beneficiary***

***Irene is golfing ... swings club back ....not watching ...hits person she is playing golf with ...Irene is sued. Does the HO policy respond?***

***Irene is a named insured and lives in the house ... therefore Coverage E responds for her “world wide”***

## Trust example #1b

*HO policy named insured:*

*HO 05 43 on policy - no names listed on endorsement*

*B/I/M Trust*

*Irene and Charles(Bud) Morrill, Trustees*

*Irene and Bud live in house with daughter Erin who also happens to be the beneficiary*

**Erin is riding bikes with friends ....shows off ...”no hands”... loses control ..knocks into friends ...causing BI. When Erin (and parents) is sued does the HO policy above .. respond?**

*Erin is a resident relative of a named insured and therefore by the “usual” definition of “insured” in the HO policy ...*

*Erin is an insured and has worldwide liability coverage.*



## Trust example #1a and b

*According to the “rule” this is set up correctly.*

*Put trust and trustee on declarations page.*

*If the beneficiary lives in the house ...and is related to the trustee ...*

*do NOT list beneficiary on the endorsement.*

*There is no problem here as neither was an “insured location” issue.*

## Trust example #2

*HO policy named insured:*

*HO 05 43 on policy - no names listed on endorsement*

*B/I/M Trust*

*Banknorth, Trustee*

Bud and Irene live in house with daughter Erin.

**Bud is playing basketball ... jumps to retrieve rebound ... hurts fellow basketball player. Will HO policy respond to suit?**

**If not, could something have been done to get this covered?**

*OOPS ...Bud or Irene need to be listed on the endorsement to be covered ...Banknorth a “thing” is The trustee and has no resident relatives!*

*According to the rule ...the policy is issued to the Trust and the trustee.*

*But per the “rule”..*

*if the grantor or beneficiary live in the house  
and are not “related” to the trustee*

*or*

*the trustee does not live in the household*

*...the grantor or the beneficiary ...or both*

*... depending on relationship should be listed on the endorsement so they can receive “insured” status.*

*If Bud is listed ...*

*then Bud and his resident relatives (Irene and Erin) will receive “insured status” per language*

*Listing them*

2. If one or more persons are named in the Schedule above, Definition 5. which defines "insured", Paragraphs a. and b. are extended to include such person with respect to the coverages in the policy that are listed under B. Coverages below.

In addition to the persons named in the Schedule, the definition of "insured" is also extended to include any of the following residents of their household:

- a. A spouse;
- b. A relative; or
- c. Any person under the age of 21 and in the care of a person noted above.

*akes*

*at*

*If Bud was listed ...*

*he, Irene and Erin would receive “insured” status under the HO policy ...and the basketball claim would be covered.*

*This was NOT set up correctly ...per the rule.*

*This is NOT an “insured location” issue*

*...*

*but creating “insured status” is ALWAYS  
IMPORTANT!!!!*

### Trust example #3

*HO policy named insured:*

*HO 05 43 on policy - no names listed on endorsement*

*B/I/M Trust*

*Bud and Irene Morrill, Trustees*

Irene and Bud do NOT live in the house.

Erin, the beneficiary does live in the house.

Erin is skiing with friends. Fooling around she loses control...skis into someone and they fall and break a leg.

When sued, will the HO policy respond?

If not, could something have been done to get this covered?

*This WAS set up per the rule ...in so far as listing the trust and the trustee.*

*However, the rule states that if the grantor and/or beneficiary live in the house ...*

*and the trustee does NOT ...*

*then the grantor or beneficiary or both (depending on the relationship) should be listed on the endorsement so that they can receive “insured status” under the HO policy.*

*Erin should have been listed as she is the beneficiary*

*Who lives in the house*

*and the trustees do not live in the house.*

Enter Name of Grantor or Beneficiary (if other than the Trustee shown in the Declarations as the "named insured") described in **A.2.** below:

\*Entries may be left blank if shown elsewhere in this policy.

*She needs to receive “insured” status and naming her on the endorsement will do so ... and would allow this claim to be covered*



*HO policy named insured:*

*HO 05 43 on policy - no names listed on endorsement*

*B/I/M Trust*

*Bud and Irene Morrill, Trustees*

**Bud and Irene along with daughter Erin live in the house.**

**Erin is getting married so Bud and Irene rent a function room for the wedding reception.**

**At the reception a guest is injured when she tripped over frayed rug. When signing the contract, Bud and Irene had “held the function hall” harmless for injuries that happened to the guests. Bud, Irene and the function hall are sued. Will the HO policy respond?**

**If not, could something have been done to get this coverage?**

*This was set up EXACTLY as the rule stated ...  
list the trust and the trustee on the declarations page ...  
and if the trustee and the grantor or beneficiary all live  
in the house and are RELATED ...  
then NO ONE needs to be listed on the endorsement.*

*However, remember ...the endorsement does  
MORE than address “who is an insured” ...*

*it muckles around with the “insured location”  
definition.*

*Remember ...the insured location definition is DELETED  
and REWRITTEN to REMOVE the last part ...*

- h. Any part of a premises occasionally rented to an "insured" for other than "business" use.

*And CHANGES the 4th part to ONLY apply to the trustee*

- d. Any part of a premises:
  - (1) Not owned by an "insured"; and
  - (2) Where an "insured" is temporarily residing;

*The ONLY way to “get” the complete definition of “insured location” back so that ANY “insured” can rent part of a premises for other than business use” or to temporarily reside at a location –*  
*is*  
*to put a name on the HO 05 43*  
*Residence Held in Trust endorsement.*

*Even though the rule says NOT to ...YOU MUST ...ALWAYS show SOMEONE on the “schedule” of the endorsement so that the FULL benefit/value of the “insured location” is realized.*

*Just to HAVE the endorsement costs 30-50 and to ADD a name is another \$30 to 50 ... but to me ..it is WORTH it.*

**When addressing the “new” trust endorsement**

**You MUST find out.....**

**WHO is living in the house....**

*Are the people living in the house*

a grantor, trustee or beneficiary...

related to the trustee....

OR

ARE the trustee ...

## Trust and HO-2011

H. Residence Held In Trust (All Forms Except HO 00 04)

A Homeowners Policy may be issued to an occupant of a one-, two-, three- or four-family dwelling or a condominium unit when legal title to the dwelling or unit is held in trust and:

1. One of the occupants of the dwelling or condominium unit is the grantor/settlor of the trust;
2. The residence held in trust is used exclusively for residential purposes, except as provided in Paragraph E.; and
3. No trustee of the trust is:
  - a. A partnership or joint venture;
  - b. A corporation;
  - c. A limited liability company;
  - d. An organization other than a partnership or joint venture, a corporation or a limited liability company; or
  - e. A licensed professional who provides ongoing professional services with respect to the profession for which that individual is licensed, in connection with the administration of the trust. However, this Paragraph e. does not apply to an individual who is a relative of the grantor/settlor of the trust.

Resident of home must be

1. grantor /settlor of trust

2. Trustee CANNOT be

Partnership/joint venture

Corporation (bank)  
LLC

Any OTHER  
organization(association)

Lawyer

In other words ...a **THING**



## HO-2011

H. Residence Held In Trust (All Forms Except HO 00 04)

A Homeowners Policy may be issued to an occupant of a one-, two-, three- or four-family dwelling or a condominium unit when legal title to the dwelling or unit is held in trust and:

1. One of the occupants of the dwelling or condominium unit is the grantor/settlor of the trust;
2. The residence held in trust is used exclusively for residential purposes, except as provided in Paragraph F.; and
3. No trustee of the trust is:
  - a. A partnership or joint venture;
  - b. A corporation;
  - c. A limited liability company;
  - d. An organization other than a partnership or joint venture, a corporation or a limited liability company; or
  - e. A licensed professional who provides ongoing professional services with respect to the profession for which that individual is licensed, in connection with the administration of the trust. However, this Paragraph e. does not apply to an individual who is a relative of the grantor/settlor of the trust.

**MANY MORE RULES  
than HO-91 or  
HO-2000**

**Sole resident CANNOT  
be**

- 1. Trustee**
- 2. Beneficiary**
- 3. HO-91 or  
HO-2000 allow  
both**

**Grantor MUST live in home per rule**

## Insuring the personal trust

**RULE 526.**  
**RESIDENCE HELD IN TRUST – ALL FORMS EXCEPT**  
**HO 00 04**

---

**A. Coverage**

A Homeowners Policy may be endorsed to insure trustee, and if applicable, a trust:

1. Under Section I – Property Coverages, for any insurable interest in the dwelling or other structure held in trust; and
2. Under Section II – Liability Coverages, for bodily injury or property damage liability arising out of the ownership, maintenance or use of an insured location held in trust.

---

**B. Endorsement**

1. Use Trust Endorsement **HO 06 15**
2. The following must be shown in the endorsement:
  - a. The name and address of the Trust; and
  - b. The name and address of the trustee(s)
3. The Trust may also be listed as an Insured if the Trust can be recognized under applicable state law as a legal entity with the capacity to sue or be sued in a court having jurisdiction.

---

**C. Premium**

Refer to state company rates for the additional charge.

**Issue policy to the RESIDENT  
(grantor/settlor - unless  
company allows others such as  
resident trustee or beneficiary)**

**On endorsement put Name and  
address of**

**Trust**

**This is ISO HO national ...**

**Trustee**

**MA has a different  
endorsement**

**Trust can be on declaration page  
if state law sees as a legal  
capacity**

---

**RULE 526.**

**RESIDENCE HELD IN TRUST – ALL FORMS EXCEPT  
HO 00 04**

---

Paragraph **B.** is replaced by the following:

**B. Endorsement**

Use Trust Endorsement **HO 06 12.**

---

**MA uses the ISO rule**

**But uses a different endorsement**

**It has confused me to NO END regarding  
the differences in HO-2011  
Trust endorsement numbers and I finally  
stumbled upon the answer**

**It depends on the state  
(for New England)...  
MA, CT and VT approved the  
HO 06 12 ....  
NH, ME, RI approved the HO 06 15**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### TRUST ENDORSEMENT

#### SCHEDULE

1.	Trust Name	Trust Address
Insured(s)		
2.	Trustee Name(s)	Trustee Address(es)

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The following provisions apply with respect to the Trust and Trustee(s) named in Items 1. and 2. in the Schedule of this endorsement:

#### DEFINITIONS

A. The following is added to Definition 5. "Insured".

5. "Insured" means:

d. The Trustee(s) named in Item 2. in the Schedule as an Insured but only for the following coverages:

(1) Coverage A – Dwelling and Coverage B – Other Structures; and

(2) Coverage E – Personal Liability and Coverage F – Medical Payments To Others, but only with respect to "bodily injury" or "property damage" arising out of the ownership, maintenance or use of an "insured location" as defined under Definitions, Paragraph B.6.a. of this endorsement.

However, this Paragraph A.5.d. applies only with respect to the Trustee's duties as a Trustee of the Trust named in Item 1. in the Schedule.

Adds To "insured"

Trustee

For Coverage A/B

Coverage E/F for "insured locations" as defined in endorsement

Interesting ... trustee is made an insured ... but the TRUST is NOT (if not on Dec Page)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## TRUST ENDORSEMENT

### SCHEDULE

1. Trust Name		Trust Address	
Insured(s)			
2. Trustee Name(s)	Trustee Address(es)	3. Trust Name	

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The following provisions apply with respect to the Trust and Trustee(s) named in Items 1. and 2. in the Schedule of this endorsement:

#### DEFINITIONS

A. The following is added to Definition 5, "Insured":

5. "Insured" means:

- d. The Trust, if recognized under applicable state law as a legal entity with the capacity to sue or be sued in a court having jurisdiction and if named in Item 3. in the Schedule as an Insured, but only for the following coverages:

- (1) Coverage A – Dwelling and Coverage B – Other Structures; and

- (2) Coverage E – Personal Liability and Coverage F – Medical Payments To Others, but only with respect to "bodily injury" or "property damage" arising out of the ownership, maintenance or use of an "insured location" as defined under Definitions, Paragraph B.6.a. of this endorsement.

2. The Trustee(s) named in Item 2. in the Schedule as an Insured but only for the following coverages:

- (1) Coverage A – Dwelling and Coverage B – Other Structures; and

FYI ... this  
HO 06 15  
endorsement is  
actually BETTER ...

it makes the trust  
an insured

Rest of  
endorsement like  
the HO 06 12

- a. A trade, profession or occupation engaged in on a full-time, part-time or occasional basis; or
- b. Any other activity engaged in for money or other compensation, except the following:
  - (1) One or more activities, not described in (2) through (5) below, for which no "insured" receives more than \$2,000 in total compensation for the 12 months before the beginning of the policy period;
  - (2) Volunteer activities for which no money is received other than payment for expenses incurred to perform the activity;
  - (3) Providing home day care services for which no compensation is received, other than the mutual exchange of such services;
  - (4) The rendering of home day care services to a relative of an "insured"; or
  - (5) Activities performed as a Trustee in connection with administering the Trust named in Item 1. in the Schedule of this endorsement.

## 6. "Insured location" means:

- a. The following real property but only if legal title to such property is held in trust with respect to the Trust named in Item 1. in the Schedule:
  - (1) The "residence premises";
  - (2) The part of other premises, other structures and grounds used by you as a residence; and
    - (a) Which is shown in the Declarations; or
    - (b) Which is acquired during the policy period for your use as a residence;
  - (3) Any premises used by you in connection with a premises described in (1) and (2) above;
  - (4) Vacant land, other than farm land;
  - (5) Land on which a one-, two-, three- or four-family dwelling is being built as a residence for an "insured"; and
  - (6) Individual or family cemetery plots or burial vaults of an "insured";
- b. Any part of a premises:
  - (1) Not owned by an "insured"; and

- (2) Where an "insured" is temporarily residing;
- c. Any part of a premises occasionally rented to an "insured" for other than "business" use;
- d. Vacant land, other than farm land, rented to an "insured"; and
- e. Land rented to an "insured" on which a one-, two-, three- or four-family dwelling is being built as a residence for an "insured".

## SECTION II – EXCLUSIONS

Exclusion F.6. is replaced by the following:

### F. Coverage E – Personal Liability

Coverage E does not apply to:

- 6. "Bodily injury" to you or an "insured" as defined under Definition 5.a., 5.b. or 5.d.  
This exclusion also applies to any claim made or suit brought against that "insured" to:
  - a. Repay; or
  - b. Share damages with;  
another person who may be obligated to pay damages because of "bodily injury" to that "insured".

## SECTIONS I AND II – CONDITIONS

- A. The following is added to the **Cancellation** provision:  
If this policy is cancelled, notice will also be mailed to the Trustee(s) named in Item 2. in the Schedule.
- B. The following is added to the **Nonrenewal** provision:  
If we elect not to renew this policy, notice will also be mailed to the Trustee(s) named in Item 2. in the Schedule.

The following provisions are added:

### TRUST DOCUMENTS

We must be provided, as often as we reasonably request, with copies of the trust documents for the Trust named in Item 1. in the Schedule.

### CHANGES AND NOTIFICATION REQUIREMENTS

We must be notified promptly of any of the following changes related to the Trust named in Item 1. in the Schedule that occur during the policy period:

- A. Changes in:
  - 1. The name and address of the Trust;
  - 2. The Trustee(s) of the Trust, including the addition or removal of a trustee; or
  - 3. The mailing address of any trustee of the Trust.

**Modifies the definition of "insured location" ... but not as badly as the HO-2000 Trust endorsement did**



## Insuring the personal trust

- s are replaced:
- a. A trade, profession or occupation engaged in on a full-time, part-time or occasional basis; or
  - b. Any other activity engaged in for money or other compensation, except the following:
    - (1) One or more activities, not described in (2) through (5) below, for which no "insured" receives more than \$2,000 in total compensation for the 12 months before the beginning of the policy period;
    - (2) Volunteer activities for which no money is received other than payment for expenses incurred to perform the activity;
    - (3) Providing home day care services for which no compensation is received, other than the mutual exchange of such services;
    - (4) The rendering of home day care services to a relative of an "insured"; or
    - (5) Activities performed as a Trustee in connection with administering the Trust named in Item 1. in the Schedule of this endorsement.
6. **Insured location** means:
- a. The following real property but only if legal title to such property is held in trust with respect to the Trust named in Item 1. in the Schedule:
    - (1) The "residence premises";
    - (2) The part of other premises, other structures and grounds used by you as a residence; and
      - (a) Which is shown in the Declarations; or
      - (b) Which is acquired during the policy period for your use as a residence;
    - (3) Any premises used by you in connection with a premises described in (1) and (2) above;
    - (4) Vacant land, other than farm land;
    - (5) Land on which a one-, two-, three- or four-family dwelling is being built as a residence for an "insured"; and
    - (6) Individual or family cemetery plots or burial vaults of an "insured";
  - b. Any part of a premises:
    - (1) Not owned by an "insured"; and

- (2) Where an "insured" is temporarily residing;
- c. Any part of a premises occasionally rented to an "insured" for other than "business" use;
- d. Vacant land, other than farm land, rented to an "insured"; and
- e. Land rented to an "insured" on which a one-, two-, three- or four-family dwelling is being built as a residence for an "insured".

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This exclusion also applies to any claim made or suit brought against that "insured" to:
  - a. Repay; or
  - b. Share damages with;  
another person who may be obligated to pay damages because of "bodily injury" to that "insured".

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If we elect not to renew this policy, notice will also be mailed to the Trustee(s) named in Item 2. in the Schedule.

The following provisions are added:

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We must be provided, as often as we reasonably request, with copies of the trust documents for the Trust named in Item 1. in the Schedule.

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We must be notified promptly of any of the following changes related to the Trust named in Item 1. in the Schedule that occur during the policy period:

- A. Changes in:

- 1. The name and address of the Trust;
- 2. The Trustee(s) of the Trust, including the addition or removal of a trustee; or
- 3. The mailing address of any trustee of the Trust.

It restricts insured location status for:

other residences used by you

premises used in connection with residence premises

cemetery plots

**ONLY insured location if trust as named on endorsement has legal title**



## Insuring the personal trust

- s are replaced:
- a. A trade, profession or occupation engaged in on a full-time, part-time or occasional basis; or
  - b. Any other activity engaged in for money or other compensation, except the following:
    - (1) One or more activities, not described in (2) through (5) below, for which no "insured" receives more than \$2,000 in total compensation for the 12 months before the beginning of the policy period;
    - (2) Volunteer activities for which no money is received other than payment for expenses incurred to perform the activity;
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    - (1) The "residence premises";
    - (2) The part of other premises, other structures and grounds used by you as a residence; and
      - (a) Which is shown in the Declarations; or
      - (b) Which is acquired during the policy period for your use as a residence;
    - (3) Any premises used by you in connection with a premises described in (1) and (2) above;
    - (4) Vacant land, other than farm land;
    - (5) Land on which a one-, two-, three- or four-family dwelling is being built as a residence for an "insured"; and
    - (6) Individual or family cemetery plots or burial vaults of an "insured";
  - b. Any part of a premises:
    - (1) Not owned by an "insured"; and

- (2) Where an "insured" is temporarily residing;
- c. Any part of a premises occasionally rented to an "insured" for other than "business" use;
- d. Vacant land, other than farm land, rented to an "insured"; and
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This exclusion also applies to any claim made or suit brought against that "insured" to:

- a. Repay; or
- b. Share damages with;  
another person who may be obligated to pay damages because of "bodily injury" to that "insured".

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The following provisions are added:

### TRUST DOCUMENTS

We must be provided, as often as we reasonably request, with copies of the trust documents for the Trust named in Item 1. in the Schedule.

### CHANGES AND NOTIFICATION REQUIREMENTS

We must be notified promptly of any of the following changes related to the Trust named in Item 1. in the Schedule that occur during the policy period:

- A. Changes in:

- 1. The name and address of the Trust;
- 2. The Trustee(s) of the Trust, including the addition or removal of a trustee; or
- 3. The mailing address of any trustee of the Trust.

Unlike HO-2000 DOES  
provide an insured with  
insured location status  
where they are  
temporarily residing  
or  
rented for non-  
business use

Gives back insured location  
status to insureds for  
vacant land

Land where home  
being built

# Insuring the personal trust

- s are replaced:
- a. A trade, profession or occupation engaged in on a full-time, part-time or occasional basis; or
  - b. Any other activity engaged in for money or other compensation, except the following:
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      - (a) Which is shown in the Declarations; or
      - (b) Which is acquired during the policy period for your use as a residence;
    - (3) Any premises used by you in connection with a premises described in (1) and (2) above;
    - (4) Vacant land, other than farm land;
    - (5) Land on which a one-, two-, three- or four-family dwelling is being built as a residence for an "insured"; and
    - (6) Individual or family cemetery plots or burial vaults of an "insured";
  - b. Any part of a premises:
    - (1) Not owned by an "insured"; and

- (2) Where an "insured" is temporarily residing;
- c. Any part of a premises occasionally rented to an "insured" for other than "business" use;
- d. Vacant land, other than farm land, rented to an "insured"; and
- e. Land rented to an "insured" on which a one-, two-, three- or four-family dwelling is being built as a residence for an "insured".

## SECTION II – EXCLUSIONS

Exclusion F.6. is replaced by the following:

### F. Coverage E – Personal Liability

Coverage E does not apply to:

- 6. "Bodily injury" to you or an "insured" as defined under Definition 5.a., 5.b. or 5.d.

This exclusion also applies to any claim made or suit brought against that "insured" to:

- a. Repay; or
- b. Share damages with;

another person who may be obligated to pay damages because of "bodily injury" to that "insured".

## SECTIONS I AND II – CONDITIONS

- A. The following is added to the **Cancellation** provision:

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- B. The following is added to the **Nonrenewal** provision:

If we elect not to renew this policy, notice will also be mailed to the Trustee(s) named in Item 2. in the Schedule.

The following is added to Item 1. in the Schedule:

### TRUST DOCUMENTS

We must be provided, as often as we reasonably request, with copies of the trust documents for the Trust named in Item 1. in the Schedule.

### CHANGES AND NOTIFICATION REQUIREMENTS

We must be notified promptly of any of the following changes related to the Trust named in Item 1. in the Schedule that occur during the policy period:

- A. Changes in:

- 1. The name and address of the Trust;
- 2. The Trustee(s) of the Trust, including the addition or removal of a trustee; or
- 3. The mailing address of any trustee of the Trust.

## MUST provide trust documents to company

## Must notify company of changes in trust

## Insuring the personal trust

B. Termination of the Trust.

C. Death or disability of a trustee.

D. The grantor (or settlor) of the Trust discontinues residing at the "residence premises".

### PERSONAL INJURY COVERAGE

If the Personal Injury endorsement is attached to this policy, Exclusion 1.i. is replaced by the following:

This insurance does not apply to:

1. "Personal injury":

i. To you or an "insured" as defined under Definition 5.a., 5.b. or 5.d.

This exclusion also applies to any claim made or suit brought against that "insured" to:

(1) Repay; or

(2) Share damages with;

another person who may be obligated to pay damages because of "personal injury" to that "insured".

All other provisions of this policy apply.

**Good news ...all the "glitches" that the HO-2000 created with insured locations ...**

**are essentially fixed ...**

## HO-2011

### Example #1

Technically can't put trust on Dec page  
Can put inhabitants of home (grantors) on Dec page  
and trust on HO 06 12

Erin is daughter of named insureds so there is coverage

#### Trust example #1

*HO policy named insured:*

*HO 05 43 on policy - no names listed on endorsement*

*B/I/M Trust*

*Irene and Charles (Bud) Morrill,, Trustees*

*Irene and Bud live in house with daughter Erin who also happens to be the beneficiary*

Irene is golfing ... swings club back ....not watching ...hits person she is playing golf with ...Irene is sued. Does the HO policy respond?

Erin is riding bikes with friends ....shows off ..."no hands" ..loses control ..knocks into friends ...causing BI. When Erin is sued does the HO policy above ..respond?

## Example #2

## HO-2011

Technically can't put trust on Dec page  
Trustee is a "thing" (banknorth) and therefore can't  
use trust endorsement under HO-2011

Can put inhabitants of home (grantors) on Dec and  
trust on HO 04 41 (as in HO-91) then  
If Bud is named insured then he has coverage for  
playing basketball

### Trust example #2

*HO policy named insured:*

*HO 05 43 on policy - no names listed on endorsement*

*B/I/M Trust*

*Banknorth, Trustee*

Bud and Irene live in house with daughter Erin.

Bud is playing basketball ... jumps to retrieve rebound ... hurts  
fellow basketball player. Will HO policy respond to suit?

If not, could something have been done to get this covered?

**Example #3**

**Technically can't put trust on Dec page**

**Under HO-2011 can't use trust endorsement as grantors do NOT live in household**

**Can put inhabitants of home (beneficiary) on Dec and trust on HO 04 41 (as in HO-91)**

**If Erin is going to inherit house and is beneficiary of trust – and lives in house –**

**she could have HO in her name and trust/trustees on HO 04 41**

**Therefore she'd have coverage when skiing –**

Trust example #3

*HO policy named insured:*

*HO 05 43 on policy - no names listed on endorsement*

*B/I/M Trust*

*Bud and Irene Morrill,, Trustees*

Bud and Irene do NOT live in the house. Erin, the beneficiary does live in the house.

Erin is skiing with friends. Fooling around she loses control...skis into someone and they fall and break a leg. When sued, will the HO policy respond?

If not, could something have been done to get this covered?

**Example #4**

**Technically can't put trust on Dec page**

**Can put inhabitants of home (grantors) on Dec and trust on HO 06 12**

**definition of insured location not screwed up like the HO-2000 so ok**

Trust example #4

*HO policy named insured:  
HO 05 43 on policy - no names listed on endorsement  
B//M Trust  
Bud and Irene Morrill, Trustees*

Bud and Irene along with daughter Erin live in the house. Erin is getting married so Bud and Irene rent a function room for the wedding reception. At the reception a guest is injured when she tripped over frayed rug. When signing the contract, Bud and Irene had "held the function hall" harmless for injuries that happened to the guests.

Bud, Irene and the function hall are sued. Will the HO policy respond?  
If not, could something have been done to get this coverage?

**Parents and resident daughter are insureds and can rent a premises temporarily for non-business use per insured location definition**



**Example #1**

**Technically can't put trust on Dec page**

**Can put inhabitants of home (grantors) on Dec page  
and trust on HO 04 41**

**Erin is daughter of named insureds/grantor so she is  
an insured and there is coverage**

**Example #2**

**Technically can't put trust on Dec page**

**Can put inhabitants of home (grantors) on Dec and  
trust on HO 04 41**

**If Bud is named insured, then he has coverage for  
playing basketball**



**Example #3**

**Technically can't put trust on Dec page**

**Can put inhabitants of home (beneficiary) on Dec  
and trust AND trustees on HO 04 41**

**If Erin is going to inherit house and is beneficiary of trust –  
and lives in house – she could have HO in her name and  
trust on HO 04 41 - Therefore she'd have coverage when  
skiing.**

**Example #4**

**Technically can't put trust on Dec page**

**Can put inhabitants of home (grantors) on Dec and trust on HO 04 41**

**Parents and resident daughter are insureds and can rent a premises temporarily for non-business use per insured location definition**

## Stuff in storage

Who, if not you, can I ask about coverage for storage units (personally if you are renting one to put your personal belongings in).

The storage unit I am trying to rent a unit from requires that the leasee has insurance for their personal belongings at the storage unit and if not, you have to buy it from them for a minimum of \$12/month.

I have coverage under my policy, but I need to get the policy to show them.

But correct me if I'm wrong as the manager at the storage unit is making me second guess myself.

**Is there any coverage for Personal Property under Other Structures?**

**She has a couple of examples of carrier dec pages that she showed me and they (the storage facility) are confirming coverage as long as the customer has a coverage limit under Other Structures on their dec page.**

**As far as I know, Other Structures on the dec page is just for Other Structures on a residence premises and covers the “structure”, not anything in it.**

**And you can get off premises Other Structures but again, it’s for the structure, not the contents inside, right?**

**Is there any carrier that can file for contents to be covered under Other Structures, that you know of?**

**Or am I wrong?**

**This question confused the crap out of me ....**

## The ISO HO-91 – I'm using HO-3 ...but same language if you have a tenants policy

### 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 \$1000, 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.

**Your contents is covered WORLDWIDE.**

**The ONLY “overall” limitation is when your contents are “usually located” at ANOTHER residence ...**

**so unless you stay IN the storage unit you have your FULL Coverage C limit (whether HO-3 or HO-4) in storage ...subject to usual policy “special limits” ...and 16 named perils ...  
can you buy “open perils”?**

**HO-3 has HO-15 for open perils – ISO hadn’t created an open perils endorsement for HO-4 – perhaps your carrier did**

## **The ISO HO-2000 is similar**

### **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"; or
- 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.

**Again ...contents covered ...complete coverage C limit anywhere including storage UNLESS you live in storage facility (another residence) ...  
HO-5 would buy open perils for home ...and there is an open perils endorsement for the HO-4 in this edition**



# The ISO HO-2011 is different

## 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"; or
- b. A guest or a "residence employee", while the property is in any residence occupied by an "insured".

### 2. Limit 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", 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:

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  - (a) Being repaired, renovated or rebuilt; and
  - (b) Not fit to live in or store property in; or
- (2) In a newly acquired principal residence for 30 days from the time you begin to move the property there.

#### b. Self-storage Facilities

Our limit of liability for personal property owned or used by an "insured" and located in a self-storage facility 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:

- (1) Moved from the "residence premises" because it is:
  - (a) Being repaired, renovated or rebuilt; and
  - (b) Not fit to live in or store property in; or
- (2) Usually located in an "insured's" residence, other than the "residence premises".

## Stuff in storage

HO 06 14 would allow you to buy more.

Again all “special limits” and policy perils apply

So ...it depends on carrier ...

and if not ISO ... I don't know ...

you'd have to read the policy

Hope this helps

### 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:

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  - (a) Being repaired, renovated or rebuilt; and
  - (b) Not fit to live in or store property in; or
- (2) Usually located in an "insured's" residence, other than the "residence premises".

## Stuff in storage

Thank you Irene – yes it does help.

My coverage is afforded at full limit and I am getting a letter from the carrier to show to the Storage facility.

But can you confirm: to my knowledge, there is NO coverage, under the Other Structure portion of any property policy, for contents/personal belongings.

She was saying that if a customer gives her a copy of their policy and there is a limit showing under Other Structures, they are taking that as coverage for the customers personal belongings in an “other structure” which they (the facility) consider “the storage unit”.

My underwriter said no, at least on their policies, but couldn't confirm that another carrier could have filed for contents to be covered in an Other Structure.

**Other structures are only covered on the “residence premises” – any ISO HO edition**

**B. Coverage B – Other Structures**

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

**Contents are covered worldwide ... tell that storage person to stick to ...storage**

## Stuff in storage

If they are trying to make you responsible for damage to the storage unit ...a little problem since you have no “off premises” other structures coverage and Section II has a c/c/c exclusion

### F. Coverage E – Personal Liability

Coverage E does not apply to:

3. "Property damage" to property rented to, occupied or used by or in the care of an "insured". This exclusion does not apply to "property damage" caused by fire, smoke or explosion;

**No coverage unless you damage it by “fire, smoke or explosion”**

**When in doubt ...light a match 😊**

**LMAO!!!**

**Its funny, they are only requiring that their leasee's have personal property coverage for their stuff.**

**My guess is that at some point in time, they were sued for damage and now they are requiring everyone to have their own policies – similar to landlords making their tenants have coverage (although it doesn't really matter cause usually EVERYONE is going to get named in a suit!)**

**THANK YOU for your time and assistance! You made me feel better!!!**

Thank you for attending...



**Q4U – A year of homeowners  
questions and answers**

If you have any questions, please email  
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