

## Personal Lines Claims Scenarios



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**IMPORTANT DEFINITIONS IN THE PERSONAL AUTO POLICY**

- 1. “You” and “Your”
  - A. Those named in the declarations, and
  - B. The spouse of the person(s) named, if they are a resident of the **SAME** household

A non named spouse will remain a “You” ONLY:

- For up to 90 days
- Until they become a named insured on another policy
- Until the end of this policy period

**Whichever comes first**

**DEFINITIONS**

- A. Throughout this policy, “you” and “your” refer to:
  - 1. The “named insured” shown in the declarations; and
  - 2. The spouse if a resident of the same household.If the spouse ceases to be a resident of the same household during the policy period or prior to the inception of this policy, the spouse will be considered “you” and “your” under this policy but only until the earlier of:
  - a. The end of 90 days following the spouse’s change of residency;
  - b. The effective date of another policy listing the spouse as a named insured; or
  - c. The end of the policy period.

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**“The Moral of this Story” –**

**Name BOTH spouses in the Declarations**

## 2. “Family member”

### DEFINITIONS

F. "Family member" means a person related to you by blood, marriage or adoption who is a resident of your household. This includes a ward or foster child.

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**Make a Note –  
Age is not  
mentioned, nor  
is degree of  
relationship**

### *Definitions Scenario:*

Billy Bob Lathrop has his Personal Auto Policy (PAP) with your agency. He recently married Suzy Lynn Johnson. Suzy has two minor, custodial children - a son, Willy B. and a daughter, Sunni Lane who moved in with Billy Bob and Suzy Lynn. Billy Bob has not contacted your agency to make you aware of his marriage.



### *Questions:*

1. Explain whether Suzy Lynn is a “you”, a “family member”, neither, or both?
2. What are Willy B. and Sunni Lane as far as the PAP is concerned?

Sunni Lane and Willy B. visit their father for three weeks during the summer.

1. What are Willy B. and Sunni Lane while on this visit as far as Billy Bob’s PAP is concerned?

After seven months of wedded bliss, Billy Bob and Suzy Lynn have had all they can stand of one another. Billy Bob moves out and does not make you aware of his new address. After being separated for four months, Suzy Lynn moves back in with her ex-husband and Willy B. and Sunni Lane opt to move in with Billy Bob.



1. Explain the previously discussed definitions in Billy Bob's PAP as to Suzy Lynn.
2. Explain the previously discussed definitions in Billy Bob's PAP as to Willy B. and Sunni Lane.
3. As to Billy Bob's PAP, would Suzy Lynn's ex-husband be considered a "family member"? What might Billy Bob consider him?



3. “Your covered auto”

**There are four categories – if a vehicle fits into any of the four categories, it is a “Your covered auto”**

A. ANY vehicle shown in the Declarations

- ✓ If a vehicle appears in the declarations, it is a “Your covered auto” regardless of its type, size or number of wheels

➤ **This does not mean coverage exists for the item**

- ✓ Exclusions and/or conditions later found in all Coverage Parts may eliminate coverage - even for a vehicle shown in the Declarations

**PART A – LIABILITY COVERAGE  
EXCLUSIONS**

B. We do not provide Liability Coverage for the ownership, maintenance or use of:

1. Any vehicle which:

- a. Has fewer than four wheels; or
- b. Is designed mainly for use off public roads.

This Exclusion (B.1.) does not apply:

- a. While such vehicle is being used by an "insured" in a medical emergency;
- b. To any "trailer"; or
- c. To any non-owned golf cart.

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B. “Newly acquired auto”

- ✓ Any vehicle meeting this definition then becomes a “your covered auto”

➤ **This does not mean coverage exists for the item**

**DEFINITIONS**

**K. "Newly acquired auto":**

1. "Newly acquired auto" means any of the following types of vehicles you become the owner of during the policy period:
  - a. A private passenger auto; or
  - b. A pickup or van, for which no other insurance policy provides coverage, that:
    - (1) Has a Gross Vehicle Weight Rating of 10,000 lbs. or less; and
    - (2) Is not used for the delivery or transportation of goods and materials unless such use is:
      - (a) Incidental to your "business" of installing, maintaining or repairing furnishings or equipment; or
      - (b) For farming or ranching.

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**Vehicle must meet three criteria**

1. Vehicle must be acquired by **YOU**
  - A “family member” ***IS NOT*** a You
2. Vehicle must be acquired during the policy period

**AND**

3. Vehicle must be eligible – which means it must be:

- A private passenger auto (although the policy does not define private passenger auto);

**OR**

- A pickup or van type (again, the policy does not define these terms), for which no other insurance policy provides coverage; that:
  - a. has a G.V.W. of 10,000 pounds **OR LESS**; and
  - b. is not used for delivery or transportation of goods and materials - unless such use is
    - (i) incidental to your “business” of installing, maintaining or repairing furnishings or equipment; or
    - (ii) for farming or ranching

#### 4. Coverage for a “Newly Acquired Auto”



- For all coverages **OTHER THAN** Coverage For Damage To Your Auto
- Collision Coverage
- Other Than Collision Coverage

#### DEFINITIONS

##### K. "Newly acquired auto":

##### 2. Coverage for a "newly acquired auto" is provided as follows:

- a. For any coverage provided in this Policy other than Coverage For Damage To Your Auto, a "newly acquired auto" will have the broadest coverage we now provide for any vehicle shown in the Declarations. However, for this coverage to apply, you must ask us to insure it within 14 days after you become the owner.
- b. Collision Coverage for a "newly acquired auto" begins on the date you become the owner. However, for this coverage to apply, you must ask us to insure it within:
  - (1) 14 days after you become the owner, if the Declarations indicates that Collision Coverage applies to at least one auto. In this case, the "newly acquired auto" will have the broadest coverage we now provide for any auto shown in the Declarations.
  - (2) Four days after you become the owner, if the Declarations does not indicate that Collision Coverage applies to at least one auto. If you comply with the four-day requirement and a loss occurred before you asked us to insure the "newly acquired auto", a Collision deductible of \$500 will apply.
- c. Other Than Collision Coverage for a "newly acquired auto" begins on the date you become the owner. However, for this coverage to apply, you must ask us to insure it within:
  - (1) 14 days after you become the owner, if the Declarations indicates that Other Than Collision Coverage applies to at least one auto. In this case, the "newly acquired auto" will have the broadest coverage we now provide for any auto shown in the Declarations.
  - (2) Four days after you become the owner, if the Declarations does not indicate that Other Than Collision Coverage applies to at least one auto. If you comply with the four-day requirement and a loss occurred before you asked us to insure the "newly acquired auto", an Other Than Collision deductible of \$500 will apply.
- d. For all coverages addressed in Paragraphs **K.2.a., b. and c.**, if you first ask us to insure the "newly acquired auto" after the applicable time period has elapsed, coverage will begin on the day you first ask us to insure the "newly acquired auto".



***“Your Covered Auto” Definition - Continued***

C. Any “trailer” **you** own

✓ “Trailer” is defined

**DEFINITIONS**

I. "Trailer" means a vehicle designed to be pulled by a:

1. Private passenger auto; or
2. Pickup or van.

It also means a farm wagon or farm implement while towed by a vehicle listed in 1. or 2. above.

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✓ Note that the “trailer” must be owned by a **you** - not owned by a “family member”



***“Your Covered Auto” Definition - Continued***

D. Any non-owned auto or “trailer” while used as a temporary substitute for a “your covered auto” which is out of normal use because of its:

- ✓ Breakdown
- ✓ Repair
- ✓ Servicing
- ✓ Loss
- ✓ Destruction

**This provision DOES NOT APPLY to Part D – Coverage For Damage To Your Auto**

**DEFINITIONS**

J. "Your covered auto" means:

4. Any auto or "trailer" you do not own while used as a temporary substitute for any other vehicle described in this definition which is out of normal use because of its:

- a. Breakdown;
- b. Repair;
- c. Servicing;
- d. Loss; or
- e. Destruction.

This provision (J.4.) does not apply to Coverage For Damage To Your Auto.

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## ***Definitions Scenario:***

Jim Mister has his Personal Auto Policy (PAP) with your agency and he is the only Named Insured. Mr. Mister's PAP Declarations indicate a 2017 Ford F-150, a 2020 Toyota Corolla, a 2006 Honda Civic and a 2015 Harley Softail. He has Liab, Med Pay, UM/UIM on all items and Collision and Other Than Collision on everything other than the 2006 Honda Civic, with deductibles of \$500. His 19-year-old daughter, Naughta resides with him.

### ***Questions:***

1. One Saturday morning, Jim trades in the Honda for a beautiful new BMW X3. Is this item a "your covered auto"? What coverages are provided for the new car?
2. Naughta needs her own car to get to and from her part-time job, so she purchases a 2010 Chrysler 200 from a local used car dealer. Is this item a "your covered auto"? What coverages are provided for this car?
3. What problems may exist as to the motorcycle listed in the Declarations?
4. One morning, as he heads to work, Jim notes that his Ford F-150 has a flat tire. The other vehicles he owns are not available. He asks his neighbor, Butch, an over-the-road trucker if he can borrow a vehicle. Butch hands Jim the keys to his only available vehicle, a 2019 Kenworth. Is this vehicle a "your covered auto" for Mr. Mister?
5. Jim decides that he wants to travel more. He trades everything for a 2021 Tiffin motor home and hits the road. Four days into his travels he calls you from Walla Walla, Washington to tell you he has been involved in an at-fault accident. What do you tell Mr. Mister?



## *Part A – Liability Coverage In The Personal Auto Policy*

### 1. Insuring Agreement

#### **PART A – LIABILITY COVERAGE**

#### **INSURING AGREEMENT**

A. We will pay damages for "bodily injury" or "property damage" for which any "insured" becomes legally responsible because of an auto accident. Damages include prejudgment interest awarded against the "insured". We will settle or defend, as we consider appropriate, any claim or suit asking for these damages. In addition to our limit of liability, we will pay all defense costs we incur. Our duty to settle or defend ends when our limit of liability for this coverage has been exhausted by payment of judgments or settlements. We have no duty to defend any suit or settle any claim for "bodily injury" or "property damage" not covered under this Policy.

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- A. Coverage is for damages
- B. For “bodily injury” or “property damage”
- C. For which any “insured” becomes legally responsible because of an auto accident
- D. In addition to the policy’s limit of liability, the company will pay all defense costs the company incurs
- E. Duty to settle or defend ends when the limit of liability has been exhausted by **PAYMENT** of judgments or settlements
- F. No duty to defend or settle any claim for BI or PD not covered under this policy



***This Insuring Agreement and Supplemental Payment provisions provide UNLIMITED COVERAGE FOR THE COST OF DEFENSE UNTIL POLICY LIMITS HAVE BEEN EXHAUSTED BY PAYMENT OF A JUDGMENT OR SETTLEMENT***

2. An understanding of who or what meets the definition of “insured” in Part A – Liability is vital. As the Insuring Agreement’s ‘Promise To Pay’ is made **only** to an “insured”, any party seeking liability protection **MUST** be an “insured”

**PART A – LIABILITY COVERAGE**

**INSURING AGREEMENT**

**B.** "Insured" as used in this Part means:

1. You or any "family member" for the ownership, maintenance or use of any auto or "trailer".
2. Any person using "your covered auto".
3. For "your covered auto", any person or organization but only with respect to legal responsibility for acts or omissions of a person for whom coverage is afforded under this Part.
4. For any auto or "trailer", other than "your covered auto", any other person or organization but only with respect to legal responsibility for acts or omissions of you or any "family member" for whom coverage is afforded under this Part. This provision **(B.4.)** applies only if the person or organization does not own or hire the auto or "trailer".

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***“Insured” Part A - Liability Coverage Scenario:***

Mary Christmas has her PAP in your agency. Mary is the only Named Insured on the policy. Mary and her spouse, Chilly reside together. They have two custodial children, Snowy, age 14 and Rainy, age 11 as well as a 24 year old son, Cloudy, who has completed college and lives three states away.

***Questions:***

1. As to those listed above, who meets the definition of “insured” as to liability in Mary’s PAP?
2. Rainy is double-dog-dared by a neighbor’s kid to drive the kid’s mom’s 2011 Toyota Corolla around the block. The kid even provides keys to the car. If Rainy takes her up on the dare, would she be an “insured” as to liability in Mary’s PAP?

3. One Saturday evening, while attending a get-together, Cloudy is asked by his roommate to drive the roommate's car to the grocery store to pick up more milk and cookies. Would Cloudy be an "insured" as to liability in Mary's PAP while on this excursion?
4. Just after the policy renews for an annual term, Chilly is needed by his elderly mother as she has become ill. He elects to move in with his mother, becoming a resident of her household in what he hopes will be a temporary situation. How long will Chilly remain an "insured" as to liability on Mary's PAP?
5. Mary borrows her neighbor's large dump truck as she needs some gravel for her long driveway. Would Mary be an "insured" as to liability in her PAP while using this vehicle?



6. Mary owns a small business – Gifts by Mary Christmas, LLC. She attends a conference in Orlando and while there, she rents a car in the name of the LLC. In Mary's PAP, as to liability, would Mary be an "insured" while using this car? Would the LLC be an "insured"?
7. Mary leaves the grocery store one evening and finds that her car has been stolen. The thief has gotten several miles down the road by the time of the discovery. Is the thief an "insured" as to liability in Mary's PAP?

**PART A – LIABILITY COVERAGE  
EXCLUSIONS**

**A.** We do not provide Liability Coverage for any "insured":

- 8.** Using a vehicle without a reasonable belief that that "insured" is entitled to do so. This exclusion (**A.8.**) does not apply to a "family member" using "your covered auto" which is owned by you.

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## ***IMPORTANT DEFINITIONS IN THE HOMEOWNER POLICY***

1. “You” and “Your”
  - A. The “named insured” shown in the Declarations
  - B. The spouse(s) of the person(s) named, but only if that person(s) resides with the “named insured”

***Unlike the PAP, there is no provision for any additional number of days for a non-resident spouse***

### **DEFINITIONS**

- A.** In this policy, "you" and "your" refer to the "named insured" shown in the Declarations and the spouse if a resident of the same household. "We", "us" and "our" refer to the Company providing this insurance.

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2. “Insured”

- 9.** "Insured" means:
- a.** You and residents of your household who are:
    - (1)** Your relatives; or
    - (2)** Other persons under the age of 21 and in your care or the care of a resident of your household who is your relative;
  - b.** A student enrolled in school full-time, as defined by the school, who was a resident of your household before moving out to attend school, provided the student is under the age of:
    - (1)** 24 and your relative; or
    - (2)** 21 and in your care or the care of a resident of your household who is your relative; or
  - c.** Under Section II:
    - (1)** With respect to animals or watercraft to which this Policy applies, any person or organization legally responsible for these animals or watercraft which are owned by you or any person described in **9.a.** or **b.** "Insured" does not mean a person or organization using or having custody of these animals or watercraft in the course of any "business" or without consent of the owner; or
    - (2)** With respect to a "motor vehicle" to which this Policy applies:
      - (a)** Persons while engaged in your employ or that of any person described in **9.a.** or **b.**; or
      - (b)** Other persons using the vehicle on an "insured location" with your consent.
- Under both Sections I and II, when the word an immediately precedes the word "insured", the words an "insured" together mean one or more "insureds".

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## *Definitions Scenario*

John B. Walton has his Homeowner Policy (HO) in your agency. He recently married Mable M. Marvel. Mabel has moved in with John along with her two minor, custodial children - a son, Martin and a daughter, Estelle. John has not contacted your agency to make you aware of his marriage.

### *Questions:*

1. Explain whether Mable is a “you”, an “insured”, neither or both?
2. What are Martin and Estelle as far as John’s HO policy is concerned?
3. The Waltons have a 17-year-old exchange student from Norway living in their home for a semester. What is this exchange student as far as John’s HO policy is concerned?
4. John has two miniature dachshunds named Waffles and Cassie. He has boarded them for a week as he, Mable, Martin and Estelle are taking a trip to Branson, MO. While an employee of the boarder is walking Waffles and Cassie, a child comes up to pet them. Waffles is startled and ‘nips’ the child. If a lawsuit is filed, would John be an “insured” in his HO policy? Would the person walking Waffles have “insured” status under John’s HO policy?





**IMPORTANT DEFINITIONS IN THE HO - CONTINUED**

- 3. “Motor Vehicle Liability”
  - A. Liability for “Bodily Injury” and “Property Damage” arising out of, basically, anything that can be done with a “motor vehicle” that an “insured” is somehow related to – **More on this VERY important definition later**
  
- 4. “Motor Vehicle”
  - A. Self-propelled land or amphibious vehicle
  
  - B. Any trailer – when carried by, or hitched to a self-propelled land or amphibious vehicle

<p><b>DEFINITIONS</b></p> <p>11. "Motor vehicle" means:</p> <ul style="list-style-type: none"><li>a. A land or amphibious vehicle that is self-propelled or capable of being self-propelled; or</li><li>b. Any trailer or semitrailer which is being carried on, towed by or hitched for towing by a vehicle described in 11.a. above.</li></ul> <p>HO 00 03 03 22      © Insurance Services Office, Inc., 2021      Page 3 of 27</p>
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C. Relevance of the “Motor Vehicle” definition and subsequent “Motor Vehicle” exclusions in Section I – Property Coverages under Coverage C – Personal Property in the ISO HO

**SECTION I – PROPERTY COVERAGES**

**C. Coverage C – Personal Property**

**4. Property Not Covered**

We do not cover:

**c. "Motor vehicles".**

This includes a "motor vehicle's" equipment and parts. However, this Paragraph **4.c.** does not apply to:

**(1) Portable electronic equipment that:**

**(a)** Reproduces, receives or transmits audio, visual or data signals; and

**(b)** Is designed so that it may be operated from a power source other than a "motor vehicle's" electrical system.

**(2) "Motor vehicles" not required to be registered for use on public roads or property which are:**

**(a)** Used solely to service a residence; or

**(b)** Designed to assist the handicapped;



*Section I – Property concerns with covered “motor vehicles”*

- D. Even when an exception to the property exclusions exists, perils insured against must be reviewed

**SECTION I – PERILS INSURED AGAINST**

**B. Coverage C – Personal Property**

We insure for direct physical loss to the property described in Coverage C caused by any of the following perils unless the loss is excluded in Section I – Exclusions.

**Note – List is abbreviated**

1. Fire Or Lightning
2. Windstorm Or Hail
3. Explosion
4. Riot Or Civil Commotion
5. Aircraft
6. Vehicles
7. Smoke
8. Vandalism Or Malicious Mischief
9. Theft
10. Falling Objects
11. Weight Of Ice, Snow Or Sleet
12. Accidental Discharge Or Overflow Of Water Or Steam
13. Sudden And Accidental Tearing Apart, Cracking, Burning Or Bulging
14. Freezing
15. Sudden And Accidental Damage From Artificially Generated Electrical Current
16. Volcanic Eruption

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## ***Loss Scenario***

Jeff Johnson has his Homeowner Policy (HO 2022 form HO 03) in your agency. Jeff has a new John Deere riding lawn tractor that he uses to mow his large, three-acre yard.

### ***Questions:***

1. One Saturday afternoon Jeff is mowing a particularly steep part of his yard. He gets the mower at an angle so steep that it proceeds to roll down an embankment. He is able to dismount the mower and is not injured, but the lawn tractor is a total loss. How will his HO respond?
2. Jeff stores the mower in his detached garage. One afternoon he finds the mower is missing – it has been stolen. How will his HO respond?
3. Jeff is active in his church, serving on several committees, including maintenance. You also insure his church. You note that he sometimes uses his John Deere to mow the church premises. What advice do you give him as to the property coverage provided by his HO when he uses the mower in this way?

**IMPORTANT DEFINITIONS IN THE HO - CONTINUED**

5. “Motor Vehicle Liability”

Liability exclusion for:

- ✓ Ownership
- ✓ Maintenance
- ✓ Occupancy
- ✓ Operation
- ✓ Use
- ✓ Loading
- ✓ Unloading
- ✓ Entrustment
- ✓ Failure to supervise
- ✓ Negligently supervise
- ✓ Vicarious

**DEFINITIONS**

**B.** In addition, certain words and phrases are defined as follows:

**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:

**(a)** An aircraft, hovercraft or watercraft by any person; or

**(b)** A motor vehicle by an "insured";

**(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, except model or hobby watercraft not designed to carry people or cargo; and

**(4)** Motor vehicle means a "motor vehicle" as defined in 11. below.

It is easily understood that cars, pickups, vans – any vehicle licensed to be used on public roads – is subject to Section II-Liability exclusions in the HO policy. Unfortunately, the Section II – Liability exclusions are much, much, much, much broader than simply applying to cars, pickups, and vans.

**ANY ITEM MOVING UNDER ITS OWN POWER CAN BE SUBJECT TO THE HOMEOWNER POLICY LIABILITY EXCLUSIONS !!**

- Notice the scope of the **DEFINITION** of “motor vehicle”
  - Self-propelled land or amphibious vehicle

**DEFINITIONS**

11. "Motor vehicle" means:

- a. A land or amphibious vehicle that is self-propelled or capable of being self-propelled; or
- b. Any trailer or semitrailer which is being carried on, towed by or hitched for towing by a vehicle described in **11.a.** above.

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- Remember the parameters of the “motor vehicle liability” exclusion

- ❖ Ownership
- ❖ Maintenance
- ❖ Occupancy
- ❖ Operation
- ❖ Use
- ❖ Loading
- ❖ Unloading
- ❖ Entrustment
- ❖ Failure to supervise
- ❖ Negligently supervise
- ❖ Vicarious

**Of a “motor vehicle”**

## **SECTION II – EXCLUSIONS**

### **A. Motor Vehicle Liability**

1. Coverages **E** and **F** do not apply to any "motor vehicle liability" if, at the time and place of an "occurrence", the involved "motor vehicle":
  - a. Is registered for use on public roads or property;
  - b. Is not registered for use on public roads or property, but such registration is required by a law, or regulation issued by a government agency, for it to be used at the place of the "occurrence"; or
  - c. Is being:
    - (1) Operated in, or practicing for, any prearranged or organized race, speed contest or other competition;
    - (2) Rented to others;
    - (3) Used to carry persons or cargo for a charge; or
    - (4) Used for any "business" purpose except for a motorized golf cart while on a golfing facility.
2. If Exclusion **A.1.** does not apply, there is still no coverage for "motor vehicle liability", unless the "motor vehicle" is:
  - a. In dead storage on an "insured location";
  - b. Used solely to service a residence;
  - c. A riding lawn mower that, at the time of the "occurrence", is being used to mow a lawn;
  - d. Designed to assist the handicapped and, at the time of an "occurrence", it is:
    - (1) Being used to assist a handicapped person; or
    - (2) Parked on an "insured location";
  - e. Designed for recreational use off public roads and:
    - (1) Not owned by an "insured"; or
    - (2) Owned by an "insured" provided the "occurrence" takes place:
      - (a) On an "insured location" as defined in Definition **B.10.a., b., d., e. or h.**; or
      - (b) Off an "insured location" and the "motor vehicle" is:
        - (i) Designed as a toy vehicle for use by children under seven years of age;
        - (ii) Powered by one or more batteries; and
        - (iii) Not built or modified after manufacture to exceed a speed of five miles per hour on level ground;
  - f. A motorized golf cart that is owned by an "insured", designed to carry up to four persons, not built or modified after manufacture to exceed a speed of 25 miles per hour on level ground and, at the time of an "occurrence", is within the legal boundaries of:
    - (1) A golfing facility and is parked or stored there, or being used by an "insured" to:
      - (a) Play the game of golf or for other recreational or leisure activity allowed by the facility;
      - (b) Travel to or from an area where "motor vehicles" or golf carts are parked or stored; or
      - (c) Cross public roads at designated points to access other parts of the golfing facility; or
    - (2) A private residential community, including its public roads upon which a motorized golf cart can legally travel, which is subject to the authority of a property owners association and contains an "insured's" residence.

## *Loss Scenario*



Fred and Wilma Jetstone have their Homeowner Policy (HO 2022 form HO 03) with your agency. Fred and Wilma have three young sons, Jet, Jeff, and Jump. Fred and Wilma have several items that move under their own power: a riding lawnmower, a golf cart, and a G.I. Joe battery powered Jeep.

### *Questions:*

1. While mowing his yard with the riding lawnmower, a rock is thrown from the mower into the window of a car passing on the street in front of Fred's home. The driver is startled, loses control of his vehicle, and runs through a neighbor – Barney's yard. He damages the yard, two trees, and a portion of the sprinkler system. The damage to the sprinkler system causes a gush of water that runs down the curb and into another neighbor – Mr. Flintstone's – driveway. Water runs down the grade into his attached garage and floods a classic vehicle he has stored therein. Water damage causes total loss to that vehicle, several other personal property items in the garage as well as drywall and flooring in the finished portion of the garage. How will Fred and Wilma's HO respond?
2. Wilma's elderly Grandmother, Freda Rockstone, lives with Fred and Wilma. She has a battery powered 'Lil Rascal' motorized wheelchair. While at Golden Corral one Friday night, Jeff and Jet decide to take Great Grandma Rockstone's wheelchair for a ride. Ultimately, they run over two patrons, breaking the leg of one and burning one by causing her to spill her spaghetti and meatballs on herself. How will Fred and Wilma's HO respond?



3. Jump decides to take the G.I. Joe Jeep down the street to take his neighbor, young Pebbles Pebblestone, for a ride. After getting her into the vehicle, he turns the toy over on the edge of the curb causing an injury to her shoulder. How will Fred and Wilma's HO respond?

**NOTES**

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