



## Filling Gaps and Adding Value – Personal Lines Clients



**Presented By:**  
**Samuel T. Bennett, CIC, AFIS, CPRM, CRIS, CPIA**  
**Harrison Agency, Inc.**  
**Columbia, MO**

[sbennett@harrisonagencyinc.com](mailto:sbennett@harrisonagencyinc.com)

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## Background:

As insurance professionals, our clients rely on us to help them finance uncertainty. Our understanding of coverage forms is vital in pursuit of this goal. The ISO Homeowner policy library is designed to address both property and liability exposures of our personal lines clients. Whether they are an owner/occupant or simply the occupant of a dwelling, condominium unit, townhouse or apartment, the suite of coverage forms available is very useful. For carriers who do not subscribe to ISO forms, their approach to insuring these exposures is often similar to what is found in ISO forms. We must keep in mind that it is not unusual for our clients to have exposures that do not fall within the scope of coverages found in these unendorsed policies. In order to fill a particular client's coverage gaps, we must first identify their exposures and then consider appropriate endorsements, and, at times, additional coverage forms to meet their needs. Placing proper coverages for each and every client will certainly add value to the service we offer.

- I. "Business" exposures of the Personal Lines client must be identified and addressed
  - A. Owned property – both on and away from the premises
  - B. Property of others – Care, Custody, Control
  - C. Business income/extra expense (time element exposures)
  - D. Liability exposures – premises, operations, products, completed operations
  - E. Personal injury
  - F. Professional liability
  - G. Human resource exposures – Work Comp/Employers Liability, EPLI, ERISA, wage and tax
  - H. Crime (including employee dishonesty)

II. *Definitions are just that – definitions. They become a concern when they ‘feed’ exclusions and/or limitations. This is extremely relevant when reviewing “business” exposures for these clients*

A. The “business” definition in the Homeowner policy and the concerns it presents

**DEFINITIONS**

3. "Business" means:

- a. A trade, profession or occupation engaged in on a full-time, part-time or occasional basis;
- b. The leasing of the mineral rights of an "insured location";
- c. "Home-sharing host activities"; or
- d. Any other activity engaged in for money or other compensation, except the following:
  - (1) One or more activities, not described in (2) through (4) below, for which no "insured" receives more than \$5,000 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; or
  - (4) The rendering of home day care services to a relative of an "insured".

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B. For each and every “insured”, “business” can be any one of these four things

1. Once the activity meets any of these indications, it is “business” – there is no need to look further

C. The “home-sharing host activities” definition in the Homeowner policy and the concerns it presents

**DEFINITIONS**

6. "Home-sharing host activities" means:

a. The:

- (1) Rental or holding for rental; or
- (2) Mutual exchange of services; of the "residence premises", in whole or in part, by an "insured" to a "home-sharing occupant" through the use of a "home-sharing network platform"; and
- b. Any other related property or services made available by an "insured" for use during such:
  - (1) Rental; or
  - (2) Mutual exchange of services; except those property or services provided by another party.

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- D. As the “home-sharing host activities” definition includes the terms “home-sharing occupant” and “home-sharing network platform”, these terms must be understood

**DEFINITIONS**

**8.** "Home-sharing occupant" means a person, other than an "insured", who:

- a.** Has entered into an agreement or arranged compensation with an "insured" through the use of a "home-sharing network platform" for "home-sharing host activities"; or
- b.** Is accompanying or staying with a person described in Paragraph **8.a.** above under such "home-sharing host activities".

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**DEFINITIONS**

**7.** "Home-sharing network platform" means an online-enabled application, web site or digital network that:

- a.** Is used for the purpose of facilitating, for money, mutual exchange of services or other compensation, the rental of a dwelling or other structure, in whole or in part; and
- b.** Allows for the agreement and compensation with respect to such rental to be transacted through such online-enabled application, web site or digital network.

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- E. These definitions work together to limit or exclude many important coverages found in the Homeowner Policy
- 1. Coverages A and B – No coverage for theft is such loss arises out of or results from “home-sharing host activities”
  - 2. Coverages A and B – No coverage for vandalism and malicious mischief – including any ensuing loss that arises out of or results from “home-sharing host activities”
  - 3. Coverage B – No coverage when “business” is conducted from the other structure
  - 4. Coverage B – No coverage when “business” property is stored in the other structure – with exceptions

5. Coverage C – Limitation of \$3,000 for personal property, on the “residence premises”, used primarily for “business” purposes
6. Coverage C – Limitation of \$1,5000 for personal property, away from the “residence premises”, used primarily for “business” purposes – with exceptions
7. Coverage C – Property Not Covered includes:
  - Property of a “home-sharing occupant”
  - Property of any person occupying the “residence premises” as a result of “home-sharing activities
  - Property in a space while rented or primarily held for rental to a “home-sharing occupant”
  - Property used primarily for “home-sharing host activities”
8. Coverage C – Personal Property – the covered peril of Vandalism or Malicious Mischief does not include loss to property arising out of or resulting from “home-sharing host activities”
9. Coverage C – Personal Property – the covered peril of Theft does not include loss arising out of or resulting from “home-sharing host activities”
10. Coverage C – Personal Property – the covered peril of Theft does not include theft from that part of a “residence premises” rented by an “insured” to someone other than another “insured”
11. Coverage D – Loss of use – does not cover:
  - Fair rental value arising out of or in connection with “home-sharing host activities”

12. Coverages E Personal Liability and Coverage F – Medical Payments to Others do not cover:

- “Motor vehicle liability” for any “motor vehicle” rented to others
- “Motor vehicle liability” for any “motor vehicle” used for any “business” purpose except for a motorized golf cart while on a golfing facility
- “Watercraft liability” for any watercraft rented to others
- “Watercraft liability” for any watercraft used for any “business” purpose

**DEFINITIONS**

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.

**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.

- BI or PD arising out of or in connection with a “business” conducted from an “insured location” or engaged in by an “insured” – this exclusion includes an act or omission involving a service or duty rendered, promised, owed or implied to be provided because of the nature of the “business” – there are exceptions to this exclusion, but those exceptions **DO NOT** apply to “home-sharing host activities”

13. Coverage F–Medical Payments to Others does not cover:

- BI to a “home-sharing occupant”

14. Section II – Additional Coverages do not apply to:

- PD to property of others caused by an insured to property owned by or rented to a tenant
- PD to property of others arising out of a “business” engaged in by an “insured”

### III. Filling Gaps and Adding Value – Homeowner Policy

#### A. Business Exposures

##### 1. Permitted Incidental Occupancies – Residence Premises HO 04 42

- Can be used to secure both Section I – Property coverages and Section II – Liability coverages
- Must be the business of a you and must be described in the Schedule
- Addresses Coverage B – Other Structures issues as to “business” use of the Other Structure indicated in the Schedule and coverage is provided up to the limit indicated in the endorsement’s Schedule
- Removes the \$3,000 limitation for property used primarily for “business” purposes for the “business” named in the Schedule – but only while ON the “residence premises”

#### **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.
2. We do not cover:
  - c. Other structures from which any "business" is conducted;

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## PERMITTED INCIDENTAL OCCUPANCIES – RESIDENCE PREMISES

### SCHEDULE

We cover your "business" described in this Schedule, conducted at or from the "residence premises", subject to the provisions of this endorsement.

**Description Of Business:**

**Business Location** (Check **1.** and/or **2.** that follows):

**1.** In the dwelling building or unit in which the "insured" resides and shown as the "residence premises"

**2.** In an other structure on or at the location of the "residence premises"  
(Enter the Limit of Liability and Description of Other Structure(s) below.)

Limit Of Liability	Description Of Other Structure(s)
SAMPLE	

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

#### SECTION I – PROPERTY COVERAGES

- Coverage **B** – Other Structures (or coverage for other structures under Form **HO 00 06**) does not apply to the other structure described in the Schedule above.

We cover the other structure described in the Schedule for direct physical loss by a Peril Insured Against for not more than the limit shown in the Schedule.

- Coverage **C** – Personal Property, Special Limit of Liability **3.h.** is replaced by the following:
  - \$3,000 on property, on the "residence premises", used primarily for "business" purposes, other than furnishings, supplies and equipment of the "business" described in the Schedule.

The Coverage **C** limit of liability applies to property of the "business" described in the Schedule.

#### SECTION II – EXCLUSIONS

- Exclusion **E.2.** "Business" does not apply to the necessary or incidental use of the "residence premises" to conduct the "business" described in the Schedule.
- Coverage **E** – Personal Liability and Coverage **F** – Medical Payments To Others do not apply to "bodily injury" to any "employee" arising out of the "business" described in the Schedule.

All other provisions of this Policy apply.

## 2. Increased Limits on Business Property HO 04 12

- This endorsement changes only Section I – Property Coverages – it is NOT a liability endorsement
- Can be used to increase the \$3,000 Special Limit Of Liability for property used primarily for “business” purposes while on the “residence premises” by indication in the Schedule
- Increases the limit for property used primarily for “business” while away from the “residence premises” to 50% of the amounts in the Schedule
- The increased limit DOES NOT APPLY to a “business” actually conducted on the “residence premises”
- Does not cover “business” property in storage or held as a sample for sale or delivery after sale

### 3. Special Limits Of Liability

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

h. \$3,000 on property, on the "residence premises", used primarily for "business" purposes.

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Examples: Beth offers piano, dance and baton lessons in a studio in the basement of her home. This endorsement would NOT provide coverage for the property used in that “business”.

Stella works from home for a corporation in another state. Several property items are used primarily in that “business”. This endorsement WOULD provide coverage for the property used in that “business”, up to the limits found in the Schedule.

POLICY NUMBER:

HOMEOWNERS  
HO 04 12 03 22

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **INCREASED LIMITS ON BUSINESS PROPERTY**

### **SCHEDULE**

<b>Increase In Limit Of Liability</b>	<b>Total Limit Of Liability</b>
\$	\$
\$	\$
\$	\$

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

#### **SECTION I – PROPERTY COVERAGES**

#### **COVERAGE C – PERSONAL PROPERTY**

##### **3. Special Limits Of Liability**

- a. The Special Limit Of Liability in Category 3.h. that applies to "business" property on the "residence premises" is increased by the Increase In Limit Of Liability shown in the Schedule above.

This Increase In Limit Of Liability does not apply to "business" property:

(1) In storage or held:

(a) As a sample; or

(b) For sale or delivery after sale; or

(2) That pertains to a "business" actually conducted on the "residence premises".

- b. The Special Limit Of Liability in Category 3.i. that applies to "business" property away from the "residence premises" is increased to an amount that is 50 percent of the Total Limit Of Liability shown in the Schedule.

This endorsement does not increase the limit of liability for Coverage C.

All other provisions of this Policy apply.

B. Coverage A – Dwelling Exposures

1. Coverage is Replacement Cost if insurance to value has been met

**SECTION I – CONDITIONS**

**D. Loss Settlement**

In this Condition **D.**, the terms "cost to repair or replace" and "replacement cost" do not include the increased costs incurred to comply with the enforcement of any ordinance or law, except to the extent that coverage for these increased costs is provided in **E.10. Ordinance Or Law** under Section **I – Property Coverages**. Covered property losses are settled as follows:

2. Buildings covered under Coverage **A** or **B** at replacement cost without deduction for depreciation, Subject to the following:

- a. If, at the time of loss, the amount of insurance in this Policy on the damaged building is 80% or more of the full replacement cost of the building immediately before the loss, we will pay the cost to repair or replace, after application of any deductible and without deduction for depreciation, but not more than the least of the following amounts:

- (1) The limit of liability under this Policy that applies to the building;

- (2) The replacement cost of that part of the building damaged with material of like kind and quality And for like use; or

- (3) The necessary amount actually spent to repair or replace the damaged building.

If the building is rebuilt at a new premises, the cost described in (2) above is limited to the cost Which would have been incurred if the building had been built at the original premises.

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2. Specified Additional Amount Of Insurance For Coverage A – Dwelling HO 04 20 can be used to secure an addition percentage of coverage (25% or 50%) should the coverage amount be insufficient in a large loss

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## SPECIFIED ADDITIONAL AMOUNT OF INSURANCE FOR COVERAGE A – DWELLING

### SCHEDULE

<b>Additional Amount Of Insurance:</b>	%
The Additional Amount Of Insurance is determined by multiplying the Coverage <b>A</b> Limit Of Liability shown in the Declarations by the percentage amount shown above.	
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

To the extent that coverage is provided, we agree to provide an additional amount of insurance in accordance with the following provisions:

- A.** If you have:
1. Allowed us to adjust the Coverage **A** limit of liability and the premium in accordance with:
    - a. The property evaluations we make; and
    - b. Any increases in inflation; and
  2. Notified us, within 30 days of completion, of any improvements, alterations or additions to the building insured under Coverage **A** which increase the replacement cost of the building by 5% or more; the provisions of this endorsement will apply after a loss, provided you elect to repair or replace the damaged building.
- B.** If there is a loss to the building insured under Coverage **A** that exceeds the Coverage **A** Limit Of Liability shown in the Declarations, for the purpose of settling that loss only:
1. We will provide an additional amount of insurance, up to the amount described in the Schedule above; and
  2. **Section I – Conditions, D. Loss Settlement**, Paragraph **2.** is replaced by Paragraphs **2., 3.** and **4.** as follows:
    2. The building insured under Coverage **A** at replacement cost without deduction for depreciation. We will pay no more than the smallest of the following amounts:
      - a. The replacement cost of that part of the building damaged with material of like kind and quality and for like use;
      - b. The necessary amount actually spent to repair or replace the damaged building; or
      - c. The limit of liability under this Policy that applies to the building, plus any additional amount provided by this endorsement.

If the building is rebuilt at a new premises, the cost described in **a.** above is limited to the cost which would have been incurred if the building had been rebuilt at the original premises.
    3. We will pay no more than the actual cash value of the damage until actual repair or replacement is complete.
    4. You may disregard the replacement cost loss settlement provisions and make claim under this Policy for loss to the building on an actual cash value basis. You may then make claim for any additional liability on a replacement cost basis, provided you notify us, within 180 days after the date of loss, of your intent to repair or replace the damaged building.

All other provisions of this Policy apply.

3. Additional Limits Of Liability For Coverages A, B, C And D - HO 04 11 guarantees Replacement Cost in the event of a loss that exceeds the Coverage A limit, without regard to the coverage amount found in the Declarations, if certain conditions are met AND increases Coverages B, C and D to reflect their percentage relationship to the revised Coverage A amount

- Conditions exist – review them carefully with your client
- This is the best endorsement to guarantee Replacement Cost

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ADDITIONAL LIMITS OF LIABILITY FOR COVERAGES A, B, C AND D**

To the extent that coverage is provided, we agree to amend the present limits of liability in accordance with the following provisions:

**A.** If you have:

1. Allowed us to adjust the Coverage **A** limit of liability and the premium in accordance with:
  - a. The property evaluations we make; and
  - b. Any increases in inflation; and
2. Notified us, within 30 days of completion, of any improvements, alterations or additions to the building insured under Coverage **A** which increase the replacement cost of the building by 5% or more;

the provisions of this endorsement will apply after a loss, provided you elect to repair or replace the damaged building.

**B.** If there is a loss to the building insured under Coverage **A** that exceeds the Coverage **A** Limit Of Liability shown in the Declarations:

1. We will increase the Coverage **A** limit of liability to equal the current replacement cost of the building;
2. We will increase, by the same percentage applied to Coverage **A**, the limits of liability for Coverages **B**, **C** and **D**. However, we will do this only if the Coverage **A** limit of liability is increased under Paragraph **B.1.** as a result of a Coverage **A** loss;
3. We will adjust the policy premium from the time of loss for the remainder of the policy term based on the increased limits of liability; and
4. For the purpose of settling that loss only, **Section I – Conditions, D. Loss Settlement**, Paragraph **2.** is replaced by Paragraphs **2.**, **3.** and **4.** as follows:
  2. Buildings covered under Coverage **A** or **B** at replacement cost without deduction for depreciation. We will pay no more than the smallest of the following amounts:
    - a. The replacement cost of that part of the building damaged with material of like kind and quality and for like use;
    - b. The necessary amount actually spent to repair or replace the damaged building; or
    - c. The limit of liability under this Policy that applies to the building, increased in accordance with Paragraphs **B.1.** and **B.2.** of this endorsement.

If the building is rebuilt at a new premises, the cost described in **a.** above is limited to the cost which would have been incurred if the building had been rebuilt at the original premises.

3. We will pay no more than the actual cash value of the damage until actual repair or replacement is complete.
4. You may disregard the replacement cost loss settlement provisions and make claim under this Policy for loss to buildings on an actual cash value basis. You may then make claim for any additional liability on a replacement cost basis, provided you notify us, within 180 days after the date of loss, of your intent to repair or replace the damaged building.

All other provisions of this Policy apply.

4. It is required that the Dwelling item be at the “residence premises”

**SECTION I – PROPERTY COVERAGES**

**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. Materials and supplies located on or next to the "residence premises" used to construct, alter or repair the dwelling or other structures on the "residence premises".
2. We do not cover land, including land on which the dwelling is located.

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- It is imperative that you understand the definition of “residence premises”

**SECTION I – PROPERTY COVERAGES**

**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. Materials and supplies located on or next to the "residence premises" used to construct, alter or repair the dwelling or other structures on the "residence premises".
2. We do not cover land, including land on which the dwelling is located.

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- It is routine to find that a carrier will add endorsement Residence Premises Definition Endorsement HO 06 48



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **RESIDENCE PREMISES DEFINITION**

### **DEFINITIONS**

Definition **B.15.** is replaced by the following:

**15.** "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;

on the inception date of the policy period shown in the Declarations and which is shown as the "residence premises" in the Declarations.

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

All other provisions of this Policy apply.

SAMPLE

- When endorsement Residence Premises Definition Endorsement HO 06 48 is added, you must be confident that the Named Insured will reside in the dwelling on the policy's inception date
- There are many reasons that the Named Insured may not reside in the dwelling on that date
  - They are closing on a particular date, but are allowing the seller to remain in the home until their home sells
  - They are completing renovations/remodeling tasks and will not move into the home for a period of time
  - They have not yet sold their current home and are 'in no hurry' to move into the dwelling
  - Many, many other situations may delay their residing in the dwelling
- When the Named Insured will not reside in the dwelling on the inception date of the HO policy, you must use the Broadened Residence Premises Definition Endorsement HO 06 49 to satisfy the requirement that the dwelling be on the "residence premises"

POLICY NUMBER:

HOMEOWNERS  
HO 06 49 03 22

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **BROADENED RESIDENCE PREMISES DEFINITION**

### **SCHEDULE**

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

### **DEFINITIONS**

Definition **B.15.** is replaced by the following:

**15.** "Residence premises" means:

**a.** With respect to the period shown in the above Schedule:

- (1)** The one-family dwelling;
- (2)** The two-, three- or four-family dwelling; or
- (3)** That part of any other building; which is shown as the "residence premises" in the Declarations; and

**b.** With respect to any portion of the policy period not shown in the above Schedule:

- (1)** The one-family dwelling;
- (2)** The two-, three- or four-family dwelling; or
- (3)** That part of any other building; where you reside and which is shown as the "residence premises" in the Declarations.

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

(This is Definition **B.13.** in Form **HO 00 14.**)

All other provisions of this Policy apply.

## C. Coverage B – Other Structures Exposures

### 1. Coverage is limited to the “residence premises”

- Coverage B – Other Structures Away From The Residence Premises – Actual Cash Value Loss Settlement HO 04 91 can be used for exposures away from the “residence premises”
- Does not broaden coverage
- The limit of 10% of Coverage A continues to apply to all Coverage B exposure
- This endorsement is ACV for ALL Coverage B items away from the “residence premises”



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**COVERAGE B – OTHER STRUCTURES  
AWAY FROM THE RESIDENCE PREMISES – ACTUAL  
CASH VALUE LOSS SETTLEMENT**

**SECTION I – PROPERTY COVERAGES**

**B. Coverage B – Other Structures**

The following is added to Paragraph 1.:

We also cover other structures which are owned by you and located away from the "residence premises", if used by you in connection with the "residence premises".

If the Broadened Home-sharing Host Activities Coverage Endorsement is not made a part of this Policy, the following is added to Paragraph 2.:

e. With respect to other structures away from the "residence premises", other structures:

- (1) Being used as a dwelling;
- (2) Capable of being used as a dwelling;
- (3) From which any "business" is conducted;
- (4) Used to store "business" property; or
- (5) Rented or held for rental to any person not a tenant of the dwelling.

If the Broadened Home-sharing Host Activities Coverage Endorsement is made a part of this Policy, the following is added to Paragraph 2.:

e. With respect to other structures away from the "residence premises", other structures:

- (1) Being used as a dwelling;
- (2) Capable of being used as a dwelling;
- (3) From which any "business" is conducted, except structures used primarily for "home-sharing host activities";
- (4) Used to store "business" property; or
- (5) Rented or held for rental to any person other than a:
  - (a) "Home-sharing occupant"; or
  - (b) Tenant of the dwelling.

Paragraph 3. is replaced by the following:

3. The limit of liability for other structures on or away from the "residence premises" will not be more than 10% of the limit of liability that applies to Coverage A. Use of this limit does not reduce the Coverage A limit of liability.

**SECTION I – CONDITIONS**

**D. Loss Settlement**

With respect to structures covered under this endorsement, Condition **D. Loss Settlement** is replaced by the following:

**D. Loss Settlement**

Covered losses will be settled at actual cash value at the time of loss, but not more than the amount required to repair or replace.

All other provisions of this Policy apply.

2. Coverage is limited to 10% of the Coverage A limit
  - Even though this dollar amount is *additional* to the Coverage A limit, it may not be enough
  - Other Structures On The Residence Premises – Increased Limits HO 04 48 can be used to put a specific limit on each structure described in the Schedule
  - Each additional limit of liability shown in the Schedule applies only to that structure and is in addition to the Coverage B limit of liability

POLICY NUMBER:

HOMEOWNERS  
HO 04 48 03 22

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**OTHER STRUCTURES ON THE RESIDENCE PREMISES –  
INCREASED LIMITS**

**SCHEDULE**

**Description Of Structure And Additional Limit Of Liability:**

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

**SECTION I – PROPERTY COVERAGES**

**COVERAGE B – OTHER STRUCTURES**

We cover each structure that is:

1. On the "residence premises"; and
2. Described in the Schedule above;

for the Additional Limit Of Liability shown in the Schedule for that structure.

The limit shown is in addition to the Coverage B limit of liability.

Each additional limit of liability shown applies only to that described structure.

All other provisions of this Policy apply.

3. No Coverage B for other structures rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage is limited to 10% of the Coverage A limit
- Your client may offer an other structure in whole, or in part as a rental dwelling, garden apartment, mother-in-law suite, etc.
  - Structures Rented To Others – Residence Premises HO 04 40 can be used for this exposure
  - This endorsement provides both Section I – Property and Section II – Liability coverages for the structure(s) listed in the Schedule



POLICY NUMBER:

HOMEOWNERS  
HO 04 40 03 22

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **STRUCTURES RENTED TO OTHERS – RESIDENCE PREMISES**

### **SCHEDULE**

Description Of Structures And Limit Of Liability:

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

#### **DEFINITIONS**

Definition **10.**, which defines an "insured location", is extended to include the structures shown in the Schedule above.

#### **SECTION I – PROPERTY COVERAGES**

We cover the structures described in the Schedule above which are:

1. On the "residence premises";
2. Rented or held for rental to any person not a tenant of the dwelling; and
3. Used as a private residence.

We insure for direct physical loss to these structures caused by a Peril Insured Against for the Limit Of Liability shown in the Schedule that applies to the structure sustaining the loss.

#### **SECTION II – EXCLUSIONS**

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

###### **2. Business**

This exclusion does not apply to the structures shown in the Schedule.

All other provisions of this Policy apply.

HO 04 40 03 22

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4. Loss settlement for Coverage B items that are buildings is at Replacement Cost if the building is insured to 80% of Replacement Cost

**SECTION I – CONDITIONS**

**D. Loss Settlement**

In this Condition **D.**, the terms "cost to repair or replace" and "replacement cost" do not include the increased costs incurred to comply with the enforcement of any ordinance or law, except to the extent that coverage for these increased costs is provided in **E.10. Ordinance Or Law** under Section **I – Property Coverages**. Covered property losses are settled as follows:

2. Buildings covered under Coverage **A** or **B** at replacement cost without deduction for depreciation, Subject to the following:

a. If, at the time of loss, the amount of insurance in this Policy on the damaged building is 80% or more of the full replacement cost of the building immediately before the loss, we will pay the cost to repair or replace, after application of any deductible and without deduction for depreciation, but not more than the least of the following amounts:

- (1) The limit of liability under this Policy that applies to the building;
- (2) The replacement cost of that part of the building damaged with material of like kind and quality And for like use; or
- (3) The necessary amount actually spent to repair or replace the damaged building.

If the building is rebuilt at a new premises, the cost described in (2) above is limited to the cost Which would have been incurred if the building had been built at the original premises.

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HO 00 03 03 22

5. Coverage B items that **ARE NOT** buildings are settled at Actual Cash Value

**SECTION I – CONDITIONS**

**D. Loss Settlement**

In this Condition **D.**, the terms "cost to repair or replace" and "replacement cost" do not include the increased costs incurred to comply with the enforcement of any ordinance or law, except to the extent that coverage for these increased costs is provided in **E.10. Ordinance Or Law** under Section **I – Property Coverages**. Covered property losses are settled as follows:

1. Property of the following types:

- a. Personal property;
- b. Awnings, carpeting, household appliances, outdoor antennas and outdoor equipment, whether or not attached to buildings;
- c. Structures that are not buildings; and
- d. Grave markers, including mausoleums;

at actual cash value at the time of loss but not more than the amount required to repair or replace.

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HO 00 03 03 22

- Replacement Cost Loss Settlement For Certain Non-Building Structures On The Residence Premises HO 04 43 can be used to obtain replacement cost for some items – often dependent upon their construction material

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **REPLACEMENT COST LOSS SETTLEMENT FOR CERTAIN NON-BUILDING STRUCTURES ON THE RESIDENCE PREMISES**

### **SECTION I – CONDITIONS**

With respect to structures that are covered by this endorsement, **Section I – Conditions, D. Loss Settlement** is replaced by the following:

#### **D. Loss Settlement**

1. Covered losses to the following structures located on the "residence premises" are subject to the replacement cost loss settlement conditions described in **2.** below:
  - a. Reinforced masonry walls;
  - b. Metal or fiberglass fences;
  - c. Fences made of plastic/resin materials such as polyvinylchloride;
  - d. Patios, walks (not made of wood or wood products);
  - e. Driveways;
  - f. Inground or semi-inground:
    - (1) Swimming pools;
    - (2) Therapeutic baths; or
    - (3) Hot tubs;with walls and floors made of reinforced masonry, cement, metal or fiberglass. However, this does not include their accessories or equipment; or
  - g. Permanent built-in outdoor kitchens or cooking facilities.
2. The terms "cost to repair or replace" and "replacement cost" do not include the increased costs incurred to comply with the enforcement of any ordinance or law, except to the extent that coverage for these increased costs is provided in **E.10. Ordinance Or Law** under Section I – Property Coverages.
  - a. We will pay the cost to repair or replace a structure described in **1.** above, after application of any deductible and without deduction for depreciation. However, we will not pay more than the least of the following amounts:
    - (1) The limit of liability under the Policy that applies to Coverage **B**, or if the structure is specifically insured under this Policy, the amount for which that structure is insured;
    - (2) The replacement cost of that part of the structure damaged with material of like kind and quality and for like use; or
    - (3) The necessary amount actually spent to repair or replace the damaged structure.
  - b. When the repair or replacement cost for the entire loss under this endorsement is more than \$5,000, we will pay no more than the actual cash value for the loss until the actual repair or replacement is complete.
  - c. You may disregard Paragraphs **a.** and **b.** above and make a claim for loss on an actual cash value basis and then make claim for any additional liability in accordance with this endorsement, provided you notify us, within 180 days after the date of loss, of your intent to repair or replace the damaged structure.

All other provisions of this Policy apply.

D. Coverage C - Personal Property Exposures

1. Coverage includes, at the full Coverage C limit, personal property owned or used by an “insured” as well as property of others – under certain conditions - while it is anywhere in the world – with two exceptions:

- Property usual to other residences – limited to 10% of Coverage C
  - There is no endorsement to increase this limit
  - The client with this exposure should secure a property and liability coverage form for that location
  - Note a troublesome liability exclusion for these situations

**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";

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HO 00 03 03 22

- Property in self-storage facilities – limited to 10% of Coverage C
  - This limit can be increased with endorsement - Increased Amount Of Insurance For Personal Property In A Self-Storage Facility HO 06 14
  - This endorsement does not increase the total Coverage C limit – it simply increases the limit for this property to the amount found in the endorsement’s Schedule

POLICY NUMBER:

HOMEOWNERS  
HO 06 14 03 22

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## INCREASED AMOUNT OF INSURANCE FOR PERSONAL PROPERTY LOCATED IN A SELF-STORAGE FACILITY

### SCHEDULE

Limit Of Liability – Self-storage Facility: \$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

#### SECTION I – PROPERTY COVERAGES

##### COVERAGE C – PERSONAL PROPERTY

###### 2. Limit For Property At Other Locations

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

###### **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 the amount shown in the Schedule. However, this limitation does not apply to personal property:

- (1) Moved from the "residence premises" because it is:
  - (a) Being remodeled, renovated or repaired; 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".

All other provisions of this Policy apply.

2. Loss settlement for personal property is Actual Cash Value with a deduction for depreciation

**SECTION I – CONDITIONS**

**D. Loss Settlement**

In this Condition **D.**, the terms "cost to repair or replace" and "replacement cost" do not include the increased costs incurred to comply with the enforcement of any ordinance or law, except to the extent that coverage for these increased costs is provided in **E.10. Ordinance Or Law** under Section **I – Property Coverages**. Covered property losses are settled as follows:

1. Property of the following types:

- a. Personal property;
  - b. Awnings, carpeting, household appliances, outdoor antennas and outdoor equipment, whether or not attached to buildings;
  - c. Structures that are not buildings; and
  - d. Grave markers, including mausoleums;
- at actual cash value at the time of loss but not more than the amount required to repair or replace.

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- Much more preferable, at time of loss, is Replacement Cost loss settlement
- This is accomplished with endorsement Personal Property Replacement Cost Loss Settlement HO 04 90

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **PERSONAL PROPERTY REPLACEMENT COST LOSS SETTLEMENT**

### **A. Eligible Property**

1. Covered losses to the following property are settled at replacement cost at the time of the loss:
  - a. Coverage **C**; and
  - b. If covered in this Policy:
    - (1) Awnings, outdoor antennas and outdoor equipment; and
    - (2) Carpeting and household appliances;  
whether or not attached to buildings.
2. This method of loss settlement will also apply to the following articles or classes of property if they are separately described and specifically insured in this Policy and not subject to agreed value loss settlement:
  - a. Jewelry;
  - b. Furs and garments:
    - (1) Trimmed with fur; or
    - (2) Consisting principally of fur;
  - c. Cameras, projection machines, films and related articles of equipment;
  - d. Musical equipment and related articles of equipment;
  - e. Silverware, silver-plated ware, goldware, gold-plated ware and pewterware, but excluding:
    - (1) Pens or pencils;
    - (2) Flasks;
    - (3) Smoking implements; or
    - (4) Jewelry; and
  - f. Golfer's equipment meaning golf clubs, golf clothing and golf equipment.

Personal Property Replacement Cost loss settlement will not apply to other classes of property separately described and specifically insured.

### **B. Ineligible Property**

Property listed below is not eligible for replacement cost loss settlement. Any loss will be settled at actual cash value at the time of loss but not more than the amount required to repair or replace.

1. Antiques, fine arts, paintings and similar articles of rarity or antiquity, which cannot be replaced.
2. Memorabilia, souvenirs, collectors items and similar articles, whose age or history contribute to their value.
3. Articles not maintained in good or workable condition.
4. Articles that are outdated or obsolete and are stored or not being used.

### **C. Replacement Cost Loss Settlement Condition**

The following loss settlement condition applies to all property described in **A.** above:

1. We will pay no more than the least of the following amounts:
  - a. Replacement cost at the time of loss without deduction for depreciation;
  - b. The full cost of repair at the time of loss;
  - c. The limit of liability that applies to Coverage **C**, if applicable;
  - d. Any applicable special limits of liability stated in this Policy; or

- e. For loss to any item described in **A.2.a.** through **f.** above, the limit of liability that applies to the item.
- 2. If the cost to repair or replace the property described in **A.** above is more than \$1,000, we will pay no more than the actual cash value for the loss until the actual repair or replacement is complete.
- 3. You may make a claim for loss on an actual cash value basis and then make claim for any additional liability in accordance with this endorsement provided you notify us, within 180 days after the date of the loss, of your intent to repair or replace the damaged property.

All other provisions of this Policy apply.

SAMPLE



3. Some personal property items are better-served on endorsements that schedule those items
  - Many Coverage C items are subject to Special Limits of Liability
  - Many items are limited as to the number of dollars available after a loss
  - Some items are limited due to certain types of loss

### **3. Special Limits Of Liability**

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

- e. \$2,000 for loss by theft of jewelry, watches, furs, precious and semiprecious stones.
- f. \$3,000 for loss by theft of firearms and related equipment.
- g. \$3,000 for loss by theft of silverware, silver-plated ware, goldware, gold-plated ware, platinumware, platinum-plated ware and pewterware. This includes flatware, hollowware, tea sets, trays and trophies made of or including silver, gold or pewter

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**HO 00 03 03 22**

- Establishing value after a loss can be a challenge for unique/unusual items
- As Coverage C is Broad Form Named Perils, there is always a desire for broader coverage
- Two endorsements are available
  - Scheduled Personal Property Coverage HO 04 61
  - Scheduled Personal Property Coverage (With Agreed Value Loss Settlement) HO 04 60

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## SCHEDULED PERSONAL PROPERTY COVERAGE (WITH AGREED VALUE LOSS SETTLEMENT)

### SCHEDULE

Class Of Personal Property	Amount Of Insurance	Premium
1. <b>Jewelry</b> , as scheduled below.	\$	\$
2. <b>Furs</b> and garments trimmed with fur or consisting principally of fur, as scheduled below.	\$	\$
3. <b>Cameras</b> , projection machines, films and related articles of equipment, as listed below.	\$	\$
4. <b>Musical Instruments</b> and related articles of equipment, as listed below. You agree not to perform with these instruments for pay unless specifically provided under this Policy.	\$	\$
5. <b>Silverware</b> , silver-plated ware, goldware, gold-plated ware and pewterware, but excluding pens, pencils, flasks, smoking implements or jewelry.	\$	\$
6. <b>Golfer's Equipment</b> , meaning golf clubs, golf clothing and golf equipment.	\$	\$
7.a. <b>Fine Arts</b> , as scheduled below. This premium is based on your statement that the property insured is located at the following address(es): at  at	<b>Total Fine Arts Amount</b>  \$	  \$
7.b. For an additional premium, Paragraph 5.b. under C. <b>Perils Insured Against</b> is deleted only for the articles marked with a double asterisk (**) in the Schedule below.	<b>Amount of 7.b. only</b> \$	\$
8. <b>Postage Stamps</b>	\$	\$
9. <b>Rare And Current Coins</b>	\$	\$
<b>Article Or Property</b>	<b>Description</b>	<b>Amount Of Insurance</b>
		\$

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

We cover the classes of personal property which are indicated in the Schedule above by an amount of insurance.

This coverage is subject to the:

1. Definitions;
2. Section I – Conditions; and
3. Sections I and II – Conditions;

in the Policy and all provisions of this endorsement.

Any deductible stated in this Policy does not apply to this coverage.

**A. Newly Acquired Property – Jewelry, Furs, Cameras And Musical Instruments Only**

1. We cover newly acquired property of a class of property already insured. The lesser of the following limits applies:
  - a. 25% of the amount of insurance for that class of property; or
  - b. \$10,000.
2. When you acquire new property, you must:
  - a. Report these objects to us within 30 days; and
  - b. Pay the additional premium from the date acquired.

**B. Newly Acquired Fine Arts**

When Fine Arts are scheduled, we cover objects of art acquired during the policy period for their actual cash value. However, we will pay no more than 25% of the amount of insurance for fine arts scheduled. For coverage to apply for newly acquired fine arts, you must:

1. Report these objects to us within 90 days; and
2. Pay the additional premium from the date acquired.

**C. Perils Insured Against**

We insure against direct loss to property described only if that loss is a physical loss to property; however, we do not insure loss caused by any of the following:

1. Wear and tear, gradual deterioration or inherent vice.
2. Insects or vermin.
3. War, including the following and any consequence of any of the following:
  - a. Undeclared war, civil war, insurrection, rebellion or revolution;
  - b. Warlike act by a military force or military personnel; or
  - c. Destruction, seizure or use for a military purpose.Discharge of a nuclear weapon will be deemed a warlike act even if accidental.
4. Nuclear Hazard, to the extent set forth in the Nuclear Hazard Clause of Section I – Conditions.
5. If Fine Arts are covered:
  - a. Repairing, restoration or retouching process;
  - b. Breakage of art glass windows, glassware, statuary, marble, bric-a-brac, porcelains and similar fragile articles. We cover loss by breakage if caused by:
    - (1) Fire or lightning;
    - (2) Explosion, aircraft or collision;
    - (3) Windstorm, earthquake or flood;
    - (4) Malicious damage or theft;
    - (5) Derailment or overturn of a conveyance.

We do not insure loss, from any cause, to property on exhibition at fairgrounds or premises of national or international expositions unless the premises are covered by this Policy.

6. If Postage Stamps or Rare And Current Coins collections are covered:
  - a. Fading, creasing, denting, scratching, tearing or thinning;
  - b. Transfer of colors, inherent defect, dampness, extremes of temperature or depreciation;
  - c. Being handled or worked on;
  - d. The disappearance of individual stamps, coins or other articles unless the item is:
    - (1) Described and scheduled with a specific amount of insurance; or
    - (2) Mounted in a volume and the page it is attached to is also lost; or
  - e. Shipping by mail other than registered mail.

However, we do not insure loss, from any cause, to property in the custody of transportation companies or not part of a stamp or coin collection.

**D. Territorial Limits**

We cover the property described worldwide.

**E. Special Provisions**

1. Fine Arts: You agree that the covered property will be handled by competent packers.
2. Golfer's Equipment includes your other clothing while contained in a locker when you are playing golf. We cover golf balls for loss by fire or burglary, provided there are visible marks of forcible entry into the building, room or locker.
3. Postage Stamps includes the following owned by or in the custody or control of the "insured":
  - a. Due, envelope, official, revenue, match and medicine stamps;
  - b. Covers, locals, reprints, essays, proofs and other philatelic property; or
  - c. Books, pages and mounting of items in **a.** and **b.**
4. Rare And Current Coins includes the following owned by or in custody or control of the "insured":
  - a. Medals, paper money, bank notes;
  - b. Tokens of money and other numismatic property; or
  - c. Coin albums, containers, frames, cards and display cabinets in use with such collection.

**F. Conditions**

**1. Loss Settlement**

Covered property losses are settled as follows:

**a. Agreed Value**

We will pay, for each article or property designated in the Schedule, the full amount shown in the Schedule which is agreed to be the value of that article or property. At our request, you will surrender that article or property to us if not lost or stolen.

**b. Pair, Set Or Parts**

If the scheduled article or property is a pair or set, or consists of several parts when complete, we will pay the full amount shown in the Schedule for that pair, set or complete article. At our request, you will surrender that article or property to us if not lost or stolen.

**2. Lost Or Stolen Articles**

In the event lost or stolen property is recovered and we have paid you the full amount shown in the Schedule for that property, you will surrender that property to us.

**3. Buyback Of Surrendered Property**

We will, at your request, sell back to you, at a price you and we agree upon, any class of property or scheduled article you surrendered to us to comply with the terms in Paragraph **1.** or **2.** above.

**4. Premium Adjustment**

We will refund the unearned premium that applies to the scheduled article after the loss or you may apply it to the premium due for the replacement of that article.

E. Additional Homeowner Program endorsements to consider

1. Supplemental Landlord's Furnishings Coverage HO 05 46
2. Supplemental Loss Assessment Coverage HO 04 35
3. Ordinance Or Law Increased Amount Of Coverage HO 04 77
4. Limited Water Back-Up And Sump Discharge Or Overflow Coverage HO 04 95
5. Refrigerated Property Coverage HO 04 98
6. Personal Injury Coverage HO 24 82
7. Utility Line Expense Coverage HO 06 69

F. Additional Coverage Forms to consider

1. Personal Umbrella/Excess Liability Policy
2. Inland Marine Coverage Form
3. Commercial Property Coverage Form
4. Commercial General Liability Coverage Form

#### IV. Filling Gaps and Adding Value – Personal Auto Policy

##### A. The Personal Auto Policy – Adding Value At Every Opportunity

###### 1. The importance of the understanding the Insuring Agreements in the PAP

- Who makes the promise?
  - We (the company providing this insurance)
- To whom is the promise made?
  - Any “insured” in Part A – Liability Coverage
  - An “insured” in Part B – Medical Payments Coverage
  - An “insured” in Part C – Uninsured Motorists Coverage
  - You or any “family member” in Part D – Coverage For Damage To Your Auto
- What ‘triggers’ the promise?
  - Varies, depending upon the Coverage Part
- What is promised?
  - Varies, depending upon the Coverage Part
- What are the conditions of the promise?
  - The promises are only active if coverage applies

2. Understanding how the promise is made and who/what is afforded "insured" status

**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.

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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PP 00 01 09 18

**PART B – MEDICAL PAYMENTS COVERAGE  
INSURING AGREEMENT**

A. We will pay reasonable expenses incurred for necessary medical and funeral services because of "bodily injury":

1. Caused by an accident; and
2. Sustained by an "insured".

We will pay only those expenses incurred for services rendered within three years from the date of the accident.

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

1. You or any "family member":
  - a. While "occupying"; or
  - b. As a pedestrian when struck by;  
a motor vehicle designed for use mainly on public roads or a trailer of any type.
2. Any other person while "occupying" "your covered auto".

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**PART C – UNINSURED MOTORISTS COVERAGE  
INSURING AGREEMENT**

A. We will pay compensatory damages which an "insured" is legally entitled to recover from the owner or operator of an "uninsured motor vehicle" because of "bodily injury":

1. Sustained by an "insured"; and
2. Caused by an accident.

The owner's or operator's liability for these damages must arise out of the ownership, maintenance or use of the "uninsured motor vehicle".

Any judgment for damages arising out of a suit brought without our written consent is not binding on us.

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PP 00 01 09 18

3. Some VERY IMPORTANT definitions that are consistent throughout the Coverage Parts

- You/your

**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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- 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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- Occupying

**DEFINITIONS**

G. "Occupying" means:

1. In;
2. Upon; or
3. Getting in, on, out or off.

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PP 00 01 09 18

- Trailer

**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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PP 00 01 09 18



- Your covered auto

**DEFINITIONS**

J. "Your covered auto" means:

1. Any vehicle shown in the Declarations;
2. A "newly acquired auto";
3. Any "trailer" you own; or
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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PP 00 01 09 18

- Newly acquired auto

**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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- Transportation network platform

**DEFINITIONS**

L. "Transportation network platform" means an online-enabled application or digital network used to connect passengers with drivers using vehicles for the purpose of providing prearranged transportation services for compensation.

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PP 00 01 09 18

4. The first and most important step in adding value to the PAP client is helping them understand that determination of coverage is a multi-step process
  - Coverage IS NOT found in the Declarations
  - Coverage IS NOT found in the definitions
  - Coverage IS NOT found in the Insuring Agreement
  - Coverage IS NOT found in the exclusions
  - Coverage IS NOT found in the conditions
  
5. Questions to address in pursuit of coverage
  - Is the party seeking coverage an “insured” (for Part D – Coverage For Damage To Your Auto – is the party you or a “family member”)?
  - Is any exclusion active?
  - Are any of the conditions problematic?
  - If the answer is no, no and no – coverage applies up to the policy limits

## B. Endorsements to consider in the Personal Auto Policy

### EXCLUSIONS

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

5. For that "insured's" liability arising out of the ownership or operation of a vehicle while it is being used as a public or livery conveyance. This includes but is not limited to any period of time a vehicle is being used by any "insured" who is logged into a "transportation network platform" as a driver, whether or not a passenger is "occupying" the vehicle.

This exclusion (A.5.) does not apply to:

- a. A share-the-expense car pool; or  
b. The ownership or operation of a vehicle while it is being used for volunteer or charitable purposes.

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PP 00 01 09 18

### 1. Limited Transportation Network Driver Coverage (No Passenger) PP 23 45

- Used when an "insured" is using a vehicle as a public or livery conveyance, including when an "insured" is logged into a "transportation network platform" (TNP)
- Coverage is afforded while logged in to the TNP but no request has yet been accepted and no passenger is in the vehicle

### 2. Transportation Network Driver Coverage (No Passenger) PP 23 41

- Used when an "insured" is using a vehicle as a public or livery conveyance, including when an "insured" is logged into a "transportation network platform" (TNP)
- Coverage is afforded while logged in to the TNP and no passenger is in the vehicle

**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:

- (1) While such vehicle is being used by an "insured" in a medical emergency;
- (2) To any "trailer"; or
- (3) To any non-owned golf cart.

### 3. Miscellaneous Type Vehicle Endorsement PP 03 23

- Vehicle must be listed in the Schedule
- A Passenger Hazard Exclusion option exists
- Desired coverages must be indicated in the Declarations
- Any newly acquired “miscellaneous type vehicle” must be of the same type as a vehicle listed in the Schedule for it to be considered a “newly acquired auto”, and, therefore, be considered a “your covered auto” – BE CAREFUL HERE

### 4. Snowmobile Endorsement PP 03 20

- Snowmobile must be listed in the Schedule
- A Passenger Hazard Exclusion option exists
- Desired coverages must be indicated in the Declarations
- The term “your covered auto” is replaced by the term “your covered snowmobile”
- A definition of “snowmobile” is added and only vehicles which meet the definition can be covered

**EXCLUSIONS**

- B.** We do not provide Liability Coverage for the ownership, maintenance or use of:
- 2.** Any vehicle, other than "your covered auto", which is:
    - a.** Owned by you; or
    - b.** Furnished or available for your regular use.

5. Extended Non-Owned Coverage – Vehicles Furnished Or Available For Regular Use

- Used when a vehicle is furnished or available for the regular use of a you
- Does not include any vehicle owned by a you
- Provides Part A – Liability and Part B – Medical Payments coverages for the you named in the schedule
- Coverage can also be provided for “family members”, including your spouse – but only for coverage for a vehicle furnished or available for the regular use of a you

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXTENDED NON-OWNED COVERAGE – VEHICLES  
FURNISHED OR AVAILABLE FOR REGULAR USE**

**SCHEDULE**

Unless otherwise indicated below or in the Declarations, Extended Non-owned Coverage is applicable only to the individual named in the Schedule or in the Declarations.

Name Of Individual:

If indicated below or in the Declarations, Extended Non-owned Coverage applies to:

Named Individual and "Family Members" (including Named Individual's Spouse)

Coverage is provided where a premium is shown for the coverage.

Extended Non-owned Coverage	Premium
<b>Liability</b>	\$
<b>Medical Payments</b>	\$
<b>Total Premium</b>	\$

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

With respect to the individual(s) and coverages indicated in the Schedule or in the Declarations, the provisions of the Policy apply unless modified by this endorsement.

**I. Extended Non-owned Coverage**

The Extended Non-owned Coverage provided by this endorsement does not afford coverage under Part **A** and Part **B** of the Policy for any accident involving:

- A.** A vehicle owned by an individual named in the Schedule or in the Declarations;
- B.** A vehicle owned by a "family member"; or
- C.** A temporary substitute vehicle for such owned vehicle described in **A.** or **B.** above.

**II. Part A – Liability Coverage**

Part **A** is amended as follows with respect to the individual(s) shown as applicable in the Schedule or in the Declarations:

- A.** Exclusion **B.2.b.** does not apply to the coverages provided by this endorsement.

- B.** We will provide Liability Coverage for any vehicle, other than "your covered auto", which is furnished or available for the regular use of the named individual.

**III. Part B – Medical Payments Coverage**

Part **B** is amended as follows, if a premium is shown in the Schedule or in the Declarations for Medical Payments Coverage, with respect to the individual(s) shown as applicable in the Schedule or in the Declarations:

- A.** Exclusion **5.b.** does not apply to the coverages provided by this endorsement.
- B.** We will provide Medical Payments Coverage for "bodily injury" sustained while "occupying", or when struck by, any vehicle (other than "your covered auto") which is furnished or available for the regular use of the named individual.

C. Additional Personal Auto Program endorsements to consider

1. Optional Limits Transportation Expenses Coverage PP 03 02
2. Towing And Labor Costs Coverage PP 03 03
3. Trip Interruption Coverage PP 13 02
4. Excess Electronic Equipment Coverage PP 03 13
5. Trailer/Camper Body Coverage (Maximum Limit of Liability) PP 03 07
6. Excess Custom Equipment Coverage PP 03 18
7. Auto Loan/Lease Coverage PP 03 35
8. Replacement Cost Coverage PP 33 10
9. Full Safety Glass PP 33 05
10. Key Replacement And Related Services Coverage PP 33 27
11. Child Restraint System Coverage PP 33 30
12. Pet Injury Coverage PP 33 31
13. Named Non-Owner Coverage PP 03 22

➤ This endorsement now includes an option for Collision and Other Than Collision