PERSONAL LINES INSURANCE DUMP SHEET

Dwelling policies: forms and perils

The Dwelling '02 forms

- A dwelling policy is **monoline property** insurance on a residence, owner-occupied or rented out, and on a dwelling under construction
  Not eligible: farms, buildings of more than four units, and structures used principally for business. A mobile home qualifies if it is permanently affixed and endorsed.
- **DP-1 Basic:** hostile fire, lightning and internal explosion. Extended coverage and vandalism or malicious mischief are added by endorsement
  A hostile fire burns where it was never meant to; a friendly fire stays where it belongs, and its damage is not covered.
- **DP-2 Broad:** the DP-1 perils, extended coverage, and the BIG AFFECT named perils — still named-peril throughout
- **DP-3 Special:** Coverage A and Coverage B are **open peril** — everything not excluded. **Coverage C stays named peril**
  On an open-peril form you read the Exclusions: a peril not listed there is covered.

Extended coverage — WHARVVES

- Automatic on the DP-2 and DP-3, added to the DP-1 by endorsement:
  - Wind
  - Aircraft
  - Vehicles
  - Explosion
  - Hail
  - Riot or civil commotion
  - Volcanic eruption
  - Smoke
- This **explosion** need not be internal, unlike the DP-1 peril
- **Volcanic eruption** covers lava and ash but not shock waves or tremors. All volcanic activity within 72 hours is one event

DP-2 named perils — BIG AFFECT

- Burglary — damage done by burglars, never the theft itself
- Ice, sleet or snow — its weight damaging the building
- Glass or safety glazing breakage, with no per-pane limit
- Accidental discharge or overflow of water or steam
- Falling objects — not the object that fell, and not fences, awnings, outdoor equipment or antennas
- Freezing of plumbing, heating, air conditioning, sprinklers or an appliance
- Electrical current, artificially generated — not tubes or transistors
- Collapse — from a covered peril, hidden decay, hidden insect or vermin damage, the weight of contents or of rain on a roof, or defective materials
  Settling, cracking, shrinking, bulging and expansion are not collapse.
- Tearing asunder, cracking, burning or bulging of a heating, AC or sprinkler system

What every dwelling form excludes

- **Ordinance or law** — the extra cost of rebuilding to a code that did not exist
- **Earth movement**, except direct loss by fire or explosion that follows it, and airborne shock waves
- **Water** in every form the exclusion names: flood, tidal surge, rapid run-off, mudslide, water backing up into the building, and seepage from below ground
- **Power interruption** occurring away from the insured location
- **Neglect** — the insured failing to save and preserve the property after a loss
- **Inherent vice** — a characteristic of the property itself that makes it spoil, break or disintegrate
- **War and nuclear hazard**
- **Intentional loss** by the insured or at the insured's direction
- **Mold and dry rot**, unless it results from a covered peril