PERSONAL LINES INSURANCE DUMP SHEET

Homeowners: Section II and endorsements

Coverage E — personal liability

- Pays when an insured is legally responsible for **bodily injury or property damage** to others, and defends the suit. Defense costs are paid **in addition** to the limit
- The basic limit is **$100,000**, and may be increased
- It covers the named insured, the spouse and resident family members, for personal — never business — activities
- An **insured location** is real estate the insured owns or rents for non-business use. A cemetery plot counts; so does a hotel room rented for a single day
- Coverage E does not apply to:
  - Loss assessment against the insured as a member of an association
  - Liability assumed under a contract, unless it relates to the insured location
  - Damage to property the insured owns, uses, or has in their care
  - Intentional injury or damage
  - Business pursuits and professional services
  - Renting out the premises, except renting part of it as a residence
  - Aircraft, watercraft and motor vehicles beyond the policy's limits
  - Communicable disease; molestation, corporal punishment, physical or mental abuse; war and nuclear hazard

Coverage F — medical payments to others

- Pays necessary medical expenses for someone injured on the premises or by the insured's activities. **Negligence never has to be shown**
- The basic limit is **$1,000 per person**, and expenses are paid for up to **three years** after the accident
- It pays for injuries:
  - On the insured location with permission
  - Off it, arising from a condition on it
  - On a location next door, caused by an insured's activities
  - Caused by a residence employee at work
  - Caused by an animal the insured owns or keeps
- **This is coverage to OTHERS.** It never pays an insured or a regular resident of the household, other than a residence employee
- Also excluded: a residence employee injured off the location and outside their work, anything workers compensation covers, and nuclear reaction or radiation

Homeowners endorsements

- **Inflation guard:** raises Coverage A and Coverage B automatically at set intervals, tracking replacement cost
- **Business pursuits:** liability for an employed insured's eligible occupation — teachers, salespeople, clerical workers — away from the residence. **Not** a home-based business
- **Permitted incidental occupancies:** deletes the business exclusion for an activity incidental to living there, such as piano lessons at home
- **Home day care:** liability for a day care run on the premises, rated per child. Molestation or abuse, saddle animals, motorized vehicles and watercraft stay excluded
- **Watercraft:** liability for the larger boats Section II otherwise excludes — outboards over 25 hp, inboards, and sailboats 26 feet and over
- **Personal injury:** adds libel, slander, defamation, invasion of privacy, wrongful eviction and wrongful entry to Section II. Not injury from contracts, breaking the law, or business
- **Personal property replacement cost:** settles Coverage C at replacement cost instead of actual cash value
- **Scheduled personal property:** itemizes what the special limits cut short — jewelry, furs, cameras, guns, musical instruments, silverware, golf equipment, fine art, stamp and coin collections. Written open peril, often with no deductible
- **Unit owners coverage:** makes HO-6 Coverage A open peril, as an HO-3 is, to cover alterations and improvements
- **Water back-up and sump overflow:** buys back an excluded loss, typically $5,000 to $50,000
- **Mobile home:** state exams still test an endorsement modifying an HO form; in practice a mobile home is written on its own MH or HO-7 policy