Homeowners Policies

HO-1
basic policy; standard insurance against perils
HO-2 Named/named
broad form policy
HO-3 Open/named
special form policy
HO-5 OPEN/OPEN (Trees at $500)
comprehensive form
HO-8 (trees at $250)
Historic/Modified market value policy; w/cash value coverage
HO-4
Renters, tenants or cooperative owners policies
HO-6
condominium owners policies
HO-3 is most widely used and covers all forms of loss except those specifically excluded

AUTO PAP 6 Parts

A- Liability
B- Medical Payments
C- UM/UIM
D- Damages Collison+Other than collision (animals nature)
E- Duties after loss
F- General Provisions

Max amount insurer will pay you will add
Total BI+Total PD ex 25/50/25 add last 2 =75

Fair Credit Act - Consumer Reports

-Insurance company cannot use negative info 7+ yrs
-Cannot look up bankruptcy 10+ years old
- If insurer wants to investigate must tell 3 days and show 5 days
-If insurance company/agent violates FCRA can be fined $2500

Coinsurance

25/50/15 Arizona
Insured at 200k, repair 300k, 80% with 60k

Homeowners Coverages

Property I
A -Dwelling coverage
B- Other structures coverage (10% of A) (shed and garage fence)
C- Contents- personal property coverage (50% can increase 75% of A) (Firearms/ furs 2500)
D- loss of use
LIABILITY Section II
E- Personal liability coverage
F- Medical payments coverage
2,4,6,8 Named Perils (fire wind hail)
3,5 Open Perils covers everything NOT excluded
HO 5 Open/Open Mysterious Items

ELEMENTS OF LEGAL CONTRACT

*Agreement(offer and acceptance)*Consideration(both must bring value) *Competent parties(old enough and know what doing* Legal purposes (cannot break law)

Agreement: Known as Offer and Acceptance
Offer=Customer submits and application
Acceptance=insurer issues policy

Consideration: Both parties bring something of value
Consideration on the side of the insured =Application + Premium
Consideration on the side of the insurer= promise to pay a claim)

BONDS

Bonds are a way of making a promise to pay- Promise you will do the work
-The company sells the bond to the contractor and who will pay out if cont. fails is the 'Guarantor' or Surety
-The customer whos kitchen is being repaired & will be paid in bond if cont. fails is the 'Obligee' or Insured
2 TYPES of Bonds
Surety- Guarantees performance of contractor
Fidelity Bond- Guarantees person is trust--worthy

Comparative Contributory

-Contributory- being a fault in anyway, you cannot hold another party liable.
-Occurrence: policy thats active during the occurrence pays
-Claims Made: the policy thats active when the claim was filed is the one that will pay

DWELLING

A- Dwelling
B- Other Structures (shed, gazebo 10%)
C- Contents (must be added) Flat amount
D- Fair Rental Value(rent)
E- Additional Living Expenses (D&E 20%of A) Not on D1
-Property & Liability can be added for add.premium
-NO Water damage/Earth movement - Earthquake

DP1- BASIC 3 perils(Trees 0) ACV +ECP Extended Coverage Perils &(VMM- Vandal, Malicious Mischief)
DP2- BROAD - basic perils + BBB Icegol-f(Trees 500)
DP3- SPECIAL Compreh. all except excluded
ADD Theft except DP3

Acronyms

Extended Coverage Perils:
WHARVES Wind, Hail, Aircraft, Riot, Volcano, Explosion, Smoke
-These are additional perils that a policy-holder can opt to have coverage for beyond the basic policy, which commonly covers perils such as fire and lightning
Supplementary payment to liability claims:
BAILED- Bonds, Aid, Interest, Loss earnings, Expenses, Defense Cost
Policy Provisions
DICE- Declarations, Insuring Agree, Conditions, Exclusions

Things to know

-DP1 insures structure of ACV
-Vandalism would not be covered on

loss?-49,500

-$2.5k per year limit for electronic data under bus and personal

-Limit on pollutant clean up and removal-$10k 25% debris

-500$ standard BOP deductible

-10 days canceling nonpayment

-25k damage, billed 1k, form 500k w/ 5k ded?-$21k

CGL and Commerical Auto

Symbols: Business auto 1-9
Garage 20-31 + Garage keeper
Motor Carrier/Trucker 40-50
any one of these policies you can add
Business Auto Physical Damage

-Comprehensive (anything that happens other than collision)

-Specified Cause of Loss- (fire, lightening, explosion, etc)

-Collision Coverage- (hitting something)

-Towing (money to have it towed if it breaks down)

-Glass/Bird/Missiles

QUESTIONS

-National Flood Ins Prog provides removal coverage for property removed 45 DAYS

-Medical paym. to others for treating an accidental injury covered 3 YRS

-Insurer owes money to the insured- 60 DAYS

-LIBEL is not an element of negligence

-Discovery period for coverage of losses under dishonesty optional coverage? 1 YR

-Insurance result of agreement or identity between subscribers - RECIPROCAL

-Common law defenses for neg. liability EXCEPT- STRICT

dwelling if vacant 60 days

-Oldest insurance is Ocean Marine

-Additional perils covered in basic & broad is Internal Explosion

-Utmost Good Faith- obligation to act in complete honesty & disclose relevant facts

-Renewal dates are in insuring agreement

-Manual Rates are estn based on similarities of risk w other risk

-Duties of insure does not include notify insured of fin. difficulty

Definitions

-Reinsurance-company indemnifies another.

-Aleatory: Unequal Exchange (insd pays small premium, insurer pays large claim)

-Cancellation-terminating an in-force policy

- Nonrenewal- termin. of a policy at expiration

-Comparative-can be at fault, but u will be responsible for your share of the injuries, while the other party is liable for their share