

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/UIIM

D- Damages Collision+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 policyholder 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 Commercial 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, lightning, 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



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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

C

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