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09/28/2024

**Your Questions, Our Answers - Homeowners'**

8:45 AM - 9:45 AM

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1 CEU

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# Your questions, our answers Homeowners

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with  
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With special thanks to the Insurance Services Office, Inc. for advance information, continued support, and permission to use their forms and information.



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## Trusts and the HO policy

**An agent emailed saying his client had put their personal assets including their home into a trust and the lawyer is requiring the HO 05 43 Residence Held in Trust endorsement be added to the HO policy.**

**The agent lamented that the HO carrier won't do it, so what do I do?**



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## Trusts and the HO policy

Is it that the carrier CAN'T do it and not WON'T do it?

There are currently 4 editions of the ISO HO policy in play in the state of Massachusetts.

A few carriers still use the ISO HO-91, MPIUA and a couple other carriers still use the HO-2000, more carriers use the ISO HO-2011 and a handful, at best, use the HO-2022.

So, is your carrier an ISO HO carrier, and if so, which edition of the ISO HO policy do they use?



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## Trusts and the HO policy

### ISO HO-91 form

Under the HO-91 form, there is no mention of “trust” ownership in the eligibility rules. Most HO-91 carriers add the trust as an additional insured on the HO 04 41 Additional Insured Endorsement.

This endorsement provides the listed entity with insured status for Coverage A Dwelling and Coverage B Other Structures and only premises liability coverage under Coverage E. The good news is that it is a FREE endorsement.

The policy is usually issued in the name of the “grantor” the entity who owned the house and lives in the house but put it into a trust.

The trust does NOT receive “worldwide” liability coverage. The trust IS an insured for any covered BI/PD claim occurring on the premises.

Could the carrier add the trust as a named insured in addition to the grantor/resident individual? Sure, anything is possible, but not everything is probable!



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## Trusts and the HO policy

### ISO HO-91 form

HOMEOWNERS  
HO 04 41 04 91

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

#### ADDITIONAL INSURED Residence Premises

Name and Address of Person or Organization\*

Interest\*

The definition of “insured” in this policy includes the person or organization named above with respect to:

##### SECTION I

Coverage A – Dwelling and Coverage B – Other Structures; and

##### SECTION II

Coverage E – Personal Liability and Coverage F – Medical Payments to Others but only with respect to the “residence premises.”

This coverage does not apply to “bodily injury” to any employee arising out of or in the course of the employee’s employment by the person or organization.

If we decide to cancel or not to renew this policy, the party named above will be notified in writing.

\*Entries may be left blank if shown elsewhere in this policy for this coverage.

All other provisions of this policy apply.



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Trusts and the HO policy

The HO-2000 form created the HO 05 43 Residence Held in Trust Endorsement

The HO-2000 program uses the HO 05 43 endorsement, Residence Held in Trust.

There IS a “trust” eligibility rule, and it is quite lengthy.

This rule REQUIRES the HO policy be issued to BOTH Trust and trustee (assuming either a trustee, beneficiary or grantor(person who owned the home before putting it into trust) LIVES in the home.

I think this is what the lawyer is looking for – named insured status for the trust



Trusts and the HO policy

The HO-2000 form created the HO 05 43 Residence Held in Trust Endorsement

The HO 05 43 Residence Held in Trust Endorsement is added to the HO policy that was issued to the Trust and Trustee.

The grantor, beneficiary or another trustee who lives in the home can and SHOULD be listed on the HO 05 43 endorsement in the designated schedule area if:

- 1. This resident individual is not related to the trustee who is listed on the dec page or
- 2. The trustee does not live in the home

POLICY NUMBER: \_\_\_\_\_ HOMEOWNERS HO 05 43 10 00

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**RESIDENCE HELD IN TRUST**

SCHEDULE\*

Enter Name of Grantor or Beneficiary (if other than the Trustee shown in the Declarations as the "named insured") described in A.2, below:

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\*Entries may be left blank if shown elsewhere in this policy.

**A. Definitions**

1. With respect to the coverages provided by this endorsement, the word "Trustee" is defined as follows:  
 (1) "Trustee" means the trustee shown in the Declarations as the "named insured".

2. If one or more persons are named in the Schedule above, "Definition 8," which defines "insured," Paragraphs A. and B., are intended to include such person with respect to the coverages in the policy that are listed under B. Coverages below.

In addition to the persons named in the Schedule, the definition of "insured" is also extended to include any of the following residents of their household:

a. A relative; or  
 b. Any person under the age of 21 and in the care of a person listed above.

3. Definition 8, which defines "insured location" is

(B) Which is acquired by the trust during the policy period for use as a residence by the "trustee" or a person described in 2, above;

(C) Any premises used by the "trustee" or a person described in 2, above in connection with a business described in (E) and (F) above;

(D) Vacant land, other than farm land;

(E) Land on which a one through four family dwelling is being built as a residence to be occupied by the "trustee" or a person described in 2, above; or

(F) Individual or family cemetery plots or burial vaults; and

b. With respect to a person described in 2, above, the following real property:

(1) Any premises used by such person in connection with a business described in a.(3) and (3) above;

(2) Vacant land, other than farm land;



## Trusts and the HO policy

### The HO-2000 form created the HO 05 43 Residence Held in Trust Endorsement

If the trustee who is listed on the HO Dec Page lives in the house and the grantor/beneficiary or other trustee also lives in the home and they are all related this named trustee, then no one needs to be listed on the HO 05 43 as by the definition of “insured” – a resident relative receives insured status for Coverage C worldwide contents and Coverage E and F – worldwide liability and medical payments to others.

If the grantor, beneficiary or other trustee who lives in the home is **NOT related** to the named insured trustee  
or  
the named insured trustee does NOT live in the house

then this resident individual needs to be listed in the schedule of the HO 05 43 in order to receive Coverage C worldwide contents and Coverage E and F worldwide liability.

Use of this endorsement for these resident individuals is cheaper than selling a separate HO-4 Tenants Policy to them.



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## Trusts and the HO policy

### HO-2011/HO-2022 ISO HO editions

The HO-2011/HO-2022 address home ownership by a trust differently than the HO-2000 program, of course!

The trust rule is rewritten from the prior HO-2000 edition and the HO 05 43 Residence Held in Trust is withdrawn from use  
and  
replaced with the Trust Endorsement HO 06 12 in the HO-2011 edition and renamed to the Trust Coverage Endorsement HO 06 12 in the HO-2022 edition.

Never believe the name of an endorsement!!!!



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## Trusts and the HO policy

### [HO-2011/HO-2022 ISO HO editions](#)

The rule **REQUIRES** that the grantor (the person that owned the house and put it in trust) be a resident of the home whereas the HO-2000 allowed the home to be solely occupied by the beneficiary or the trustee.

The rule **REQUIRES** that this grantor/resident be the **NAMED** insured and the Trust endorsement is added.

ISO created two trust endorsement versions. The HO 06 15 and the HO 06 12.  
**Unfortunately, the version approved for use in MA is the HO 06 12 and it does NOT MAKE THE TRUST AN INSURED. It only makes the trustee an insured!!!**



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## Trusts and the HO policy

### [HO-2011/HO-2022 ISO HO editions](#)

Another agent had emailed me and asked me what the HO 06 12 Trust Endorsement with the HO-2011 insurance company did for the trust.

I said ...nothing!

The premium was \$91.00. I suggested she add the trust to the policy by the “old fashioned” HO 04 41 as done in the HO-91 program so at least it can receive insured status for Coverage A Dwelling, Coverage B Other Structures and Coverage E and F for premises liability and premises medical payments.

Bud and I live in New Hampshire, and we put our home in a trust. In NH the approved Trust endorsement for the HO-2011/HO-2022 ISO programs is the HO 06 15 Trust Endorsement. The HO 06 15 Trust Endorsement makes **BOTH** the trust and trustee an insured, so it is worth it!



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**Trusts and the HO policy**

POLICY NUMBER: HOMEOWNERS HO 06 12 05 11

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

**TRUST ENDORSEMENT**

SCHEDULE

1.	Trust Name	Trust Address
Insured(s)		
2.	Trustee Name(s)	Trustee Address(es)
Insured(s)		
Trust Name		

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

The following provisions apply with respect to the Trust and Trustee(s) named in Items 1. and 2. in the Schedule of this endorsement:

**DEFINITIONS**

A. The following is added to Definition 5. "Insured":

5. "Insured" means:

d. The Trustee(s) named in Item 2. in the Schedule as an Insured but only for the following coverages:

(1) Coverage A – Dwelling and Coverage B – Other Structures; and

(2) Coverage E – Personal Liability and Coverage F – Medical Payments To Others, but only with respect to "bodily injury" or "property damage" arising out of the ownership, maintenance or use of an "insured location" as defined under Definitions, Paragraph B.6.a. of this endorsement.

However, this Paragraph A.5.d. applies only with respect to the Trustee's duties as a Trustee of the Trust named in Item 1. in the Schedule.

POLICY NUMBER: HOMEOWNERS HO 06 15 03 22

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

**TRUST COVERAGE**

SCHEDULE

1.	Trust Name	Trust Address		
Insured(s)				
2.	Trustee Name(s)	Trustee Address(es)	3.	Trust Name
Insured(s)				
Trust Name				

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

The following provisions apply with respect to the Trust and Trustee(s) named in Items 1. and 2. in the Schedule of this endorsement:

**DEFINITIONS**

A. The following is added to Definition 9. "Insured":

9. "Insured" means:

d. The Trust, if recognized under applicable state law as a legal entity with the capacity to sue or be sued in a court having jurisdiction and if named in Item 3. in the Schedule as an Insured, but only for the following coverages:

(1) Coverage A – Dwelling and Coverage B – Other Structures; and

(2) Coverage E – Personal Liability and Coverage F – Medical Payments To Others, but only with respect to "bodily injury" or "property damage" arising out of the ownership, maintenance or use of an "insured location" as defined under Definitions, Paragraph B.6.a. of this endorsement.

e. The Trustee(s) named in Item 2. in the Schedule as an Insured but only for the following coverages:

(1) Coverage A – Dwelling and Coverage B – Other Structures; and

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**Trusts and the HO policy**

[Back to the original question](#)


**If your insured does not have the HO-2000 HO version, then there is no "HO 05 43 Residence Held in Trust Endorsement to add and the trust is NOT a named insured.**

**IT is what it is.**

**For overall coverage the insured is better off with the ISO HO-91 and add the trust as an additional insured under the HO 04 41 Additional Insured Endorsement.**

**IF one has the HO-2011 or HO-2022 and the company uses the HO 0612 Trust Endorsement/Trust Coverage ...make sure the carrier ALSO adds the trust to the HO 04 41 additional insured endorsement so the trust gets some insured status**

**Go figure ... And ...tell the lawyer to stick to law and leave the insurance issues to you!**



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## Trusts and the HO policy - part 2

**Irene – I just read your trust techtalk with great interest – thanks for the detailed explanation.**

**However, I have an insurer that won't list the Trust as an Insured nor an Additional Insured, they will only list and insure the trustees of the Trust.**

**I believe their argument is that a Trust is not a legal entity, rather it is a written agreement, and that they can only insure an entity or person, not an agreement.**



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## Trusts and the HO policy - part 2

**Hmmm ....**

**I contacted Dan Foley, Esq., MAIA's Legal Consultant and he said:**

**A trust is a legal entity in Massachusetts. M.G.L. Ch. 203 to 203C.**

**There are other statutes that are applicable as well relating to recording of a trust as an example but for all intents and purposes , a trust is a legal entity.**

**So ...the trust should be added to the HO 04 41 as an additional insured at the very least ... most carriers don't want to put the policy in the name of the trust ...unless they use the HO-2000 ISO policy**



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### Water mains and HO policy

**How can we handle private roads and clients who may be held responsible for water main breaks under them?**

**The town of Plymouth has many towns that are privately owned. The deed goes to the center of the road, or they are considered 'unaccepted' roads not public roads. BUT most of the streets are plowed by the town.**

**In the event of a water main break... I am pretty sure this would be a complicated question... as even the town attorney admitted it has been handled differently with different 'unaccepted' or private roads, sometimes the town has fixed it and sometimes the homeowner has been responsible.**

**I know we can get coverage for sewer from the septic to the house... how to we handle this situation if the client truly owns to the middle of the street?**



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### Water mains and HO policy

**You say:**

**I know we can get coverage for sewer from the septic to the house... how to we handle this situation if the client truly owns to the middle of the street?**

**Water line leaks on the residence premises – coverage is difficult regarding  
the damage to the pipe  
the getting to the pipe  
under the unendorsed HO policy**



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## Water mains and HO policy

### HO-91

It's easiest under the HO-91 because "water" is covered property so if the water line damage results in cost to homeowner of metered water, then the HO-3 could at least cover

the getting TO the pipe in many cases

#### ADDITIONAL COVERAGES

2. **Reasonable Repairs.** In the event that covered property is damaged by an applicable Peril Insured Against, we will pay the reasonable cost incurred by you for necessary measures taken solely to protect against further damage. If the measures taken involve repair to other damaged property, we will pay for those measures only if that property is covered under this policy and the damage to that property is caused by an applicable Peril Insured Against.

but damage TO the pipe would be limited coverage



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## Water mains and HO policy

### HO-91

#### COVERAGE A – DWELLING and COVERAGE B – OTHER STRUCTURES

We insure against risk of direct loss to property described in Coverages A and B only if that loss is a physical loss to property. We do not insure, however, for loss:

- e. Any of the following:
  - (1) Wear and tear, marring, deterioration;

If any of these cause water damage not otherwise excluded, from a plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance, we cover loss caused by the water including the cost of tearing out and replacing any part of a building necessary to repair the system or appliance. We do not cover loss to the system or appliance from which this water escaped.

**Accidental discharge issues never cover the plumbing bill ...**



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## Water mains and HO policy

### HO-91

**Freezing damage could cover damage to the piped because frozen pipe damage is covered under the HO-3 if heat maintained or water shut off**

- a. Freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance, or by discharge, leakage or overflow from within the system or appliance caused by freezing. This exclusion applies only while the dwelling is vacant, unoccupied or being constructed, unless you have used reasonable care to:
- (1) Maintain heat in the building; or
  - (2) Shut off the water supply and drain the system and appliances of water;



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## Water mains and HO policy

### HO-2000/2011/2022

**Once you have the HO-2000/2011 or HO-2022 – water is NO longer “covered property” ...**

#### C. Coverage C – Personal Property

##### 4. Property Not Covered

We do not cover:

- k. Water or steam.

**so extra \$\$ on the water bill due to pipe damage wouldn't be covered and getting to the pipe wouldn't be covered UNLESS the water is damaging covered property ... such as flowing to the house and damaging house.**

**Reasonable repair additional coverage won't work – no getting to pipe**



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**Water mains and HO policy**

**If there is water line coverage from septic or water line to house by the insurance company and the insured property or “residence premises” goes to the middle of the street ... then why wouldn’t there be coverage?**



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**Water mains and HO policy**

**If the HO policy does not provide coverage for “getting” to the service line ...**

**I have “heard” that there is “service line coverage” ...but it’s kind of like warranty coverage and one would have to read what is covered or not ... just google it.**

**Mechanical breakdown is an ISO endorsement in many ISO editions but it wouldn’t respond to water pipe damage**

**ISO created a utility line expense coverage endorsement in late 2020 that some companies might use**



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**Water mains and HO policy**


**ISO endorsement provides coverage for direct physical loss to underground utility lines from certain specified perils.**

**on the “residence premises”**

**We just saw that the cost to repair line is not covered under HO-2000/2000/2011 in most situations**

**Covers many potential utility lines**

**N/A to liquid fuel, septic or well systems**



POLICY NUMBER: HOMEOWNERS  
HO 06 69 03 22

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

**UTILITY LINE EXPENSE COVERAGE**

SCHEDULE

Utility Line Expense Coverage
Limit Of Liability: \$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

**DEFINITIONS**

With respect to the coverage provided by this endorsement, the following definition is added:

“Utility line”:

- a. Means that portion of a pipe, wire, conduit, cable, or related equipment, located:
  - (1) On the “residence premises”;
  - (2) Outside of a building; and
  - (3) Below the surface of the ground;
    - which connects, directly or indirectly, a building or structure on the “residence premises” to a source for municipal or commercial utility service.
- b. Includes, but is not limited to, a:
  - (1) Water line;
  - (2) Sewer line;
  - (3) Gas line;
  - (4) Steam line;
  - (5) Electric transmission line; or
  - (6) Communication transmission line.
- c. Does not, however, include any portion of a:
  - (1) Liquid fuel tank or liquid fuel system;
  - (2) Septic tank or septic system; or
  - (3) Water well or well system.


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**Water mains and HO policy**

**Coverage D can apply if a “utility line expense coverage” is caused**

**Maximum paid is 10% of the Limit of liability for Utility Line Expense coverage**

**The Utility Line Expense Coverage is not increased ...can USE ...10% of it for Loss of Use or Fair Rental Value caused by utility line repairs**



**SECTION I – PROPERTY COVERAGES**

With respect to the coverage provided by this endorsement, Paragraph D. Coverage D – Loss Of Use (Paragraph C. Coverage D – Loss Of Use in HO 00 06) is replaced by the following:

**D. Coverage D – Loss Of Use**

**1. Additional Living Expense**

If a loss covered under Utility Line Expense Coverage makes that part of the “residence premises” where you reside (the “residence premises” in HO 00 06) not fit to live in, we cover any necessary increase in living expenses incurred by you and residents of your household who are:

- a. Your relatives; or
- b. Other persons under the age of 21 and in your care or the care of a resident of your household who is your relative;

so that your household can maintain its normal standard of living.

Payment will be for the shortest time required to repair or replace the damage or, if your household permanently relocates, the shortest time required for your household to settle elsewhere.

**2. Fair Rental Value**

If a loss covered under Utility Line Expense Coverage makes that part of the “residence premises” rented to others or held for rental by you not fit to live in, we cover the fair rental value of such premises less any expenses that do not continue while it is not fit to live in.

Payment will be for the shortest time required to repair or replace such premises.

**3. Loss Or Expense Not Covered**

We do not cover loss or expense due to cancellation of a lease or agreement.

**4. Limit Of Liability**

The limit of liability for Coverage D:

- a. Is 10% of the Limit Of Liability for Utility Line Expense Coverage shown in the Schedule;
- b. Is the total limit for coverage in 1. Additional Living Expense and 2. Fair Rental Value; and
- c. Does not increase the Limit Of Liability for Utility Line Expense Coverage shown in the Schedule.

The periods of time under 1. Additional Living Expense and 2. Fair Rental Value above are not limited by expiration of this Policy.

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**Water mains and HO policy**


pays for loss from certain perils to a utility line  
 (a) owned by the named insured or  
 (b) not owned by the named insured but the insured's responsibility under a municipal or commercial utility service contract.

includes the reasonable and necessary expenses to excavate, remediate, repair, or restore land or structures other than buildings.

Covers expenses caused by

**ADDITIONAL COVERAGES**

1. The following coverage is added:  
**Utility Line Expense Coverage**  
 a. We will pay for loss caused by a Peril Insured Against to a "utility line" which is:  
 (1) Owned by you; or  
 (2) If not owned by you, your responsibility under a:  
 (a) Municipal; or  
 (b) Commercial; utility service contract or agreement.  
 This includes reasonable and necessary expenses incurred for excavating, remediating, repairing or restoring land or structures other than buildings.  
 b. With respect to the coverage provided by this endorsement, Peril Insured Against means direct physical loss caused by any of the following:  
 (1) Wear and tear, marring or deterioration;  
 (2) Rust or corrosion;  
 (3) Leakage;  
 (4) Construction or blockage;  
 (5) Bulging, rupture, bursting or explosion;  
 (6) Implosion or collapse;  
 (7) Disconnection, separation or detachment;  
 (8) Failure of pressure or vacuum equipment;  
 (9) Mechanical failure;  
 (10) Electrical failure, including arcing; or  
 (11) Trees, shrubs or plants.  
 This coverage is additional insurance.



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**Water mains and HO policy**

**Ordinance or law coverage modified to allow 10% of Utility line Expense Coverage for ordinances invoked**

**Not increase Utility Line Expense Coverage**

**Limits available**  
 \$10,000  
 or  
 \$25,000  
 or  
 \$50,000

2. With respect to the coverage provided by this endorsement, Paragraph 10. Ordinance Or Law (Paragraph 9. Ordinance Or Law in HO 00 05) is replaced by the following:  
**10. Ordinance Or Law**  
 a. You may use up to 10% of the limit of liability that applies to Utility Line Expense Coverage for the increased costs you incur due to the enforcement of any ordinance or law which requires or regulates:  
 (1) The construction, demolition, remodeling, renovation or repair of that part of a covered building or other structure damaged by a Peril Insured Against;  
 (2) The demolition and reconstruction of the undamaged part of a covered building or other structure, when that building or other structure must be totally demolished because of damage by a Peril Insured Against to another part of that covered building or other structure; or  
 (3) The remodeling, removal or replacement of the portion of the undamaged part of a covered building or other structure necessary to complete the remodeling, repair or replacement of that part of the covered building or other structure damaged by a Peril Insured Against.  
 b. You may use all or part of this Ordinance Or Law Coverage to pay for the increased costs you incur to remove debris resulting from the construction, demolition, remodeling, renovation, repair or replacement of property as stated in Paragraph a. above.  
 c. We do not cover:  
 (1) The loss in value to any covered building or other structure due to the requirements of any ordinance or law; or  
 (2) The costs to comply with any ordinance or law which requires any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants in or on any covered building or other structure.  
 Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.  
 This coverage does not increase the Limit Of Liability for Utility Line Expense Coverage shown in the Schedule.



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**Effective date**

**When should a policy be effective.....**

**when the parties pass papers**

**or**

**when the documents are filed with the registry (sometimes the next day)?**



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**Effective date**

**I have an insurable interest the second I put a deposit down**

**so**

**I say at the very least "pass papers day"**

**The company should just verify that the claim is not being paid ...twice**

**You KNOW the seller is cancelling coverage the second they can!**



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### Temporarily residing

**My insured has HO3 10/00 policy. For 2 months, the insured is renting a Florida Home. It is my understanding the HO3 would provide PD and Liab coverage to the 2-month FI rental location. What is the definition of a "Temporarily residing"?**

**On Page 2 of 22 on HO 03 10/00 part 6 Insured location means:**

- d. Any part of a premises:
- (1) Not owned by an "insured"; and
  - (2) Where an "insured" is temporarily residing;

**But .....**



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### Temporarily residing

**But page 18 of 22 says:**

#### **#4 Insured's" Premises Not An "Insured Location"**

##### **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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### Temporarily residing

Temporary is not defined ...but living in a dorm room has been considered “temporary” – my feeling is that those people that go to Florida or Arizona for a couple months in the winter and rent a home or a condo ...that is “temporary” ... their HO liability would respond to someone injured in the home they are renting.

Remember their HO policy has a property damage exclusion for damage to real or personal property in their c/c/c:

#### F. Coverage E – Personal Liability

Coverage E does not apply to:

3. "Property damage" to property rented to, occupied or used by or in the care of an "insured". This exclusion does not apply to "property damage" caused by fire, smoke or explosion;



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### Temporarily residing

I feel confident ... on the other hand ...renting the same CAR ....for 2 months ..could be considered “regular use” and they probably wouldn’t get back to their MAP for excess coverage ...

per various court cases

And they would need the M-0051S Use of Other Auto endorsement added to their MAP to remove the regular use exclusion from Parts 4,5,6,7,8,9 in the MAP.

If they drive their own vehicle to Florida then ...no problem ...and the garaging wouldn’t have to be changed either if only a 2-month trip



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### Temporarily residing #2

**We have an insured currently written on a HO 00 03 10 00 homeowner form.**

**She is going to be in a rehab facility for approximately 6 months. ( injury from a fall)**

**The rehab facility is requiring proof of personal liability coverage.**

**As this is a temporary location is liability coverage automatically extended from the HO3?  
Should a HO4 policy be written?**

**Looking for guidance.**



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### Temporarily residing #2

**The ISO HO-2000 has a definition of "insured location" – as do all the Iso editions ...the first part is:**

- 6. "Insured location" means:**
- a.** The "residence premises";
  - b.** The part of other premises, other structures and grounds used by you as a residence; and
    - (1)** Which is shown in the Declarations; or
    - (2)** Which is acquired by you during the policy period for your use as a residence;
  - c.** Any premises used by you in connection with a premises described in **a.** and **b.** above;
  - d.** Any part of a premises:
    - (1)** Not owned by an "insured"; and
    - (2)** Where an "insured" is temporarily residing;

**I can give them a COI stating HO policy ....edition date and limits of insurance ...but I would NOT guarantee ANYTHING beyond that ...**



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**Temporarily residing #2**

If perchance this person does not get well and get back to their home ...at some point ...this place is no longer “temporary” ... and then the HO policy would need to be changed ... (if only named insured)

and maybe another household member could add this person to their HO policy as listed on the assisted living endorsement HO 04 59 – see attached ...but that is “down the line”

I have NEVER heard of a rehab facility asking for “proof of insurance” ...



POLICY NUMBER: HOMEOWNERS HO 04 59 10 00

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ASSISTED LIVING CARE COVERAGE**

SCHEDULE\*

Name Of Relative(s)	Name And Location Of Residency	Limit Of Liability	
		Coverage C	Coverage E

\* Entries may be left blank if shown elsewhere in this policy for this coverage.

**AGREEMENT**  
We will insure the person named in the Schedule above for the coverages provided under Section I – Property Coverages below and Coverage E – Personal Liability in the policy form, subject to the limits of liability shown in the Schedule.  
It is agreed that such person is related to an “insured” by blood, marriage or adoption, is not a member of your household and regularly resides in the living care facility (facility) named in the Schedule. It is also agreed that such facility provides assisted living services such as dining, therapy, medical supervision, housekeeping and social activities.  
It is further agreed that you will represent the person named in the Schedule, and will act in all matters pertaining to the provisions of this endorsement.  
This insurance is excess over any other applicable insurance covering the same loss.

**SECTION I – PROPERTY COVERAGES**  
1. Coverage C – Personal Property  
a. Covered Property  
We cover personal property owned and used by a person named in the Schedule for loss by a Peril Insured Against covered under Coverage C in the policy.

**b. Limit Of Liability**  
The limit of liability shown in the Schedule is the most we will pay for any one loss regardless of the number of relatives residing in the same living unit in the facility named in the Schedule.

**c. Special Limits Of Liability**  
The following special limits of liability apply only to property described in a. above and are in addition to the Coverage C special limits that apply to the policy to which this endorsement is attached. They do not increase the Coverage C limit of liability shown in the Schedule. The special limit shown for each numbered category is the total limit for each loss for the property in that category.  
(1) \$250 for each hearing aid or other similar audio enhancement device.  
(2) \$100 for each pair of eyeglasses.  
(3) \$100 for all contact lenses.  
(4) \$500 for all false teeth or dentures.  
(5) \$500 for each medi-alert device.  
(6) \$250 for all walking aids and devices such as walkers or canes.  
(7) \$500 for each wheelchair.

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**Temporarily residing #2**

And ..as we all know every HO edition has an exclusion for property damage to property in the insured’s c/c/c

**F. Coverage E – Personal Liability**  
Coverage E does not apply to:

...

**3. "Property damage" to property rented to, occupied or used by or in the care of an "insured".**  
This exclusion does not apply to "property damage" caused by fire, smoke or explosion

So ... other than stating the insured has an HO policy ...I would not say anything else ... and I might find a different rehab facility



38

**Additional insured status for owner of leased land Home sits on**

**I received an email from an agent regarding a client's leased land and COI request.**

**The insured owns a camp on leased land owned by the State of NH.**

**The insured has liability extended to the camp from their HO policy AND the State of NH Division of Forests & Lands listed as an Additional Insured. Wahoo!**

**The techtalk was about a COI request for this property and weird wording ...but ....**

**Another agent emailed:**



39

**Additional insured status for owner of leased land Home sits on**

**Do you happen to know which insurance company is writing this policy?**

**This coincides with a situations similar we are encountering regarding manufactured homes on leased land, where the manufactured home park is requesting to be added as an additional insured on the policy.**

**I am assuming in the situation you presented that the insured owns the structure on the leased land, so the state has no insurable interest in the property, just the premises liability.**

**If that assumption is correct, I am very curious to know what homeowners' carrier is adding an additional insured endorsement for something they have no insurable interest in.**



40

**Additional insured status for owner of leased land Home sits on**

**I responded ... I did the endorsement that Company X added to the policy.**

**And ... even though I would never have thought a company WOULD do that ... it can ...**

**Whether extending liability from a primary HO policy to a secondary home  
Or**

**Adding the additional insured endorsement directly to the home as this agent needed ...the ISO policy does “allow” this in its language**



41

**Additional insured status for owner of leased land Home sits on**

**I responded ... I did the endorsement that Company X added to the policy.**

**And ... even though I would never have thought a company WOULD do that ... it can ...**

**Whether extending liability from a primary HO policy to a secondary home  
Or**

**Adding the additional insured endorsement directly to the home as this agent needed ...the ISO policy does “allow” this in its language**

**Generally ...the landlord for an apartment dweller often wants AI status and most companies say ...”no” ...which they have a right to do**

**But if they choose to add it ... hmmm lets look**



42

**Additional insured status for owner of leased land Home sits on**

POLICY NUMBER: \_\_\_\_\_ HOMEOWNERS  
HO 04 41 10 00

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED**  
RESIDENCE PREMISES  
SCHEDULE\*

Name And Address Of Person Or Organization

Interest

\*Entries may be left blank if shown elsewhere in this policy for this coverage.

**DEFINITIONS**  
Definition 5, which defines "insured" is extended to include the person or organization named in the Schedule above, but only with respect to:

- Coverage A – Dwelling and Coverage B – Other Structures; and
- Coverage E – Personal Liability and Coverage F – Medical Payments To Others but only with respect to "bodily injury" or "property damage" arising out of the ownership, maintenance or use of the "residence premises".

**SECTION II – EXCLUSIONS**  
This coverage does not apply to "bodily injury" to an "employee", "residence employee" or a temporary employee furnished to the "insured" to substitute for a permanent "residence employee" arising out of or in the course of the employee's employment by the person or organization.

**CANCELLATION AND NONRENEWAL NOTIFICATION**  
If we decide to cancel or not to renew this policy, the person or organization named in the Schedule will be notified in writing.  
All other provisions of this policy apply.

All ISO editions are essentially the same

The listed entity CAN become an insured for  
**Coverage A and B**  
**Coverage E – “residence premises” liability**



43

**Additional insured status for owner of leased land Home sits on**

But ... the ISO HO policy ...any edition ...to which the Additional insured endorsement is Attached states:

**SECTION I – CONDITIONS**

**A. Insurable Interest And Limit Of Liability**

Even if more than one person has an insurable interest in the property covered, we will not be liable in any one loss:

- To an "insured" for more than the amount of such "insured's" interest at the time of loss; or
- For more than the applicable limit of liability.

So if it doesn't have any insurable interest in the structure ...it shouldn't be on a claim check for Coverage A or B.

And ... all this endorsement does it make the land owner “happy” ...



44

### Additional insured status for owner of leased land Home sits on

if there is a signed lease ...there is some contractual coverage per :

#### F. Coverage E – Personal Liability

Coverage E does not apply to:

##### 1. Liability:

- a. For any loss assessment charged against you as a member of an association, corporation or community of property owners, except as provided in D. Loss Assessment under Section II – Additional Coverages;
- b. Under any contract or agreement entered into by an "insured". However, this exclusion does not apply to written contracts:
  - (1) That directly relate to the ownership, maintenance or use of an "insured location"; or
  - (2) Where the liability of others is assumed by you prior to an "occurrence";
 unless excluded in a. above or elsewhere in this policy;

many companies probably say “no” ...though ...realistically ...it can be done. If it is a landlord/tenant issue under HO-4 ...who cares ...but there are many situations of homes being on leased land.

Of course ...the “insured” ...was also “the agent” ...so ....



45

### Accidental discharge or sump overflow

I have a client with an HO3 (4/91 edition) with a company who offers and enhancement endorsement for water backup/sump failure with \$2500 in coverage.

During the cold spell recently the plumbing for the drainage pipe froze and water was not able to escape and came back into his basement. The sump pump did not fail, it is still working, it is just that the water could not escape through the frozen drainage pipe.

The company has determined the claim is covered only under the enhancement endorsement sump coverage. When I questioned for the insured that it was a frozen pipe, and not a failure of the sump, I was told that because there was no “freeze damage” to the pipe, they determined coverage was only available under the endorsement.

Can you weigh in on this? I did not see anything in the HO3 form that said “except drain pipe”.



46



### Accidental discharge or sump overflow

So ...exactly what kind of water loss ...

The HO-91 General water exclusion:

c. **Water Damage**, meaning:

- (1) Flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these, whether or not driven by wind;
- (2) **Water which** backs up through sewers or drains or which **overflows from a sump**; or
- (3) Water below the surface of the ground, including water which exerts pressure on or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure.

There was no “sump coverage” in 1991 – it didn’t exist until 1995 and I no longer have that endorsement



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### Accidental discharge or sump overflow

The 2000 HO 04 95 states:

#### A. Coverage

We insure, up to \$5,000, for direct physical loss, not caused by the negligence of an "insured", to property covered under Section I caused by water, or water-borne material, which:

1. Backs up through sewers or drains; or
2. Overflows **or is discharged from a**:
  - a. Sump, sump pump; or
  - b. Related equipment;

**even if** such overflow or discharge results from mechanical breakdown. This coverage does not apply to direct physical loss of the sump pump, or related equipment, which is caused by mechanical breakdown.

So ... where did the water come from ...and I don't know the wording of the “enhancement” endorsement



48

### Accidental discharge or sump overflow

#### The Coverage A exclusion for freezing of pipes states:

- a. Freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance, **or by discharge, leakage or overflow from within the system** or appliance **caused by freezing**. This exclusion applies only while the dwelling is vacant, unoccupied or being constructed, unless you have used reasonable care to:
- (1) Maintain heat in the building; or
  - (2) Shut off the water supply and drain the system and appliances of water;

**Shouldn't the insured get the benefit of the doubt and lucky company that it didn't have to pay for frozen pipe damage?**

**Again, don't know enhancement wording ..but shouldn't we try to look for coverage instead of no coverage?**



49

### Accidental discharge or sump overflow

**The water came from a frozen drain pipe that the sump pump drained into. The line froze and the water could not be expelled and came back in to the finished basement – overnight there was 3 inches of water.**

**I think the company is saying because the pipe did not have any freeze damage, they say water backup. Our insured disagrees and I can see his point. If the freezing did not take place, there would be no damage. The client has lived in the home for nearly 40 years with no issues.**

**I am attaching a copy of the enhancement endorsement showing the sump coverage.**



50

Accidental discharge or sump overflow

C. Water Back Up and Sump Overflow

1. We insure, up to \$2,500, for direct physical loss, not caused by the negligence of any "insured", to property covered under Section I caused by:

- a. Water which backs up through sewers or drains; or
- b. Water which overflows from a sump even if such overflow results from the mechanical breakdown of the sump pump. This coverage does not apply to direct physical loss of the sump pump, or related equipment, which is caused by mechanical breakdown.

This Additional Coverage does not increase the limits of liability for Coverages A, B, C or D stated in the policy Declarations.

2. Special Deductible

The following deductible provision replaces any other deductible provision in the policy with respect to loss covered under this Additional Coverage:

We will pay only that part of the loss which exceeds \$250. No other deductible applies to this coverage. This deductible does not apply with respect to Coverage D – Loss of Use.

3. Section I – Perils Insured Against

In Form HO 00 03, paragraph 2.e.(2) under Coverage A – Dwelling and Coverage B – Other Structures is deleted, with respect to coverage for loss caused by overflow of sumps, and replaced by the following:

(2) Inherent vice, latent defect;

In Form HO 00 15, this is subparagraph 1.b.(4)(b); in HO 17 32, this is subparagraph 2.e.(2).

4. Section I - Exclusions

3. Water Damage is deleted and replaced by the following:

3. Water Damage, meaning:

a. Flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these, whether or not driven by wind; or

b. Water below the surface of the ground, including water which exerts pressure on or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure.

Direct loss by fire or explosion resulting from water damage is covered.

(In Form HO 00 03, this is item 1.c.)

This Additional Coverage does not apply when Water Back Up And Sump Overflow endorsement HO 04 95 is attached to the policy.

I guess it is an "interpretation thing"

Since the water in the drain froze ...there was no where for the water to go and therefore it overflowed from sump pump

Or

One could say "accidental discharge" from a plumbing system .

Ambiguity is "found for the insured/coverage" ...but that means ...in court

Too bad the enhancement wasn't for more than 2500



Accidental discharge or sump overflow

The original Sewer back up/sump overflow endorsement for the HO-91 had a \$5,000 limit

The HO-2000 program kept the \$5,000 limit

And the same language backs up through sewer or drains or overflows/discharged from sump ....

HOMEOWNERS HO 04 95 10 00

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WATER BACK UP AND SUMP DISCHARGE OR OVERFLOW

A. Coverage

We insure, up to \$5,000, for direct physical loss, not caused by the negligence of an "insured", to property covered under Section I caused by water, or water-borne material, which:

- 1. Backs up through sewers or drains; or
- 2. Overflows or is discharged from a:
  - a. Sump, sump pump; or
  - b. Related equipment; even if such overflow or discharge results from mechanical breakdown. This coverage does not apply to direct physical loss of the sump pump, or related equipment, which is caused by mechanical breakdown.

This coverage does not increase the limits of liability for Coverages A, B, C or D stated in the Declarations.

B. Section I – Perils Insured Against

With respect to the coverage described in A. above, Paragraph:

- A.2.c.(6)(b) in Form HO 00 03;
- A.2.e.(2) in Form HO 00 05;
- 2.j.(2) in Endorsement HO 05 24;
- 3.j.(2) in Endorsement HO 17 31; and
- 2.c.(6)(b) in Endorsement HO 17 32;

is deleted and replaced by the following:

Latent defect, inherent vice, or any quality in property that causes it to damage or destroy itself;

D. Exclusion

The Water Damage exclusion is deleted and replaced by the following: Water Damage, meaning:

- a. Flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these, whether or not driven by wind;
  - b. Water, or water-borne material, which:
    - (1) Backs up through sewers or drains; or
    - (2) Overflows or is discharged from a sump, sump pump or related equipment; as a direct or indirect result of flood; or
  - c. Water, or water-borne material, below the surface of the ground, including water which:
    - (1) Exerts pressure on; or
    - (2) Seeps or leaks through; a building, sidewalk, driveway, foundation, swimming pool or other structure;
 caused by or resulting from human or animal forces or any act of nature.
- Direct loss by fire or explosion resulting from water damage is covered.
- All other provisions of this policy apply.



Accidental discharge or sump overflow

The HO-2011 endorsement allows more ... but TOTALLY screwed up the coverage for sewer back up ... .."originates from WITHING the dwelling" ...say WHAT????

But sump overflow still essentially the same language



POLICY NUMBER: HOMEOWNERS HO 04 95 05 11

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**LIMITED WATER BACK-UP AND SUMP DISCHARGE OR OVERFLOW COVERAGE**

SCHEDULE

Limited Water Back-up And Sump Discharge Or Overflow Limit Of Liability: \$

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

**A. Section I – Property Coverages**  
The following coverage is added:  
We will pay up to the Limit Of Liability shown in the Schedule for direct physical loss, not caused by the negligence of an "insured", to property covered under Section I caused by water, or waterborne material, which:

1. Originates from within the dwelling where you reside and backs up through sewers or drains; or
2. Overflows or is discharged from a:
  - a. Sump, sump pump; or
  - b. Related equipment;
 even if such overflow or discharge results from mechanical breakdown. This coverage does not apply to direct physical loss of the sump pump, or related equipment, which is caused by mechanical breakdown.

This coverage does not increase the limits of liability for Coverage A, B, C or D stated in the Declarations.

**B. Section I – Perils Insured Against**  
With respect to the coverage provided under this endorsement, Paragraphs:  
A.2.c.(6)(b) in Form HO 00 03;  
A.2.e.(2) in Form HO 00 05;  
2.j.(2) in Endorsement HO 05 24;  
3.j.(2) in Endorsement HO 17 31; and  
2.c.(6)(b) in Endorsement HO 17 32;  
are replaced by the following:  
Latent defect, inherent vice or any quality in property that causes it to damage or destroy itself;

**C. Section I – Exclusions**  
The Section I – Water Exclusion does not apply to the coverage provided under this endorsement.  
All other provisions of this policy apply.

Accidental discharge or sump overflow

The HO-2022 endorsement also allows more coverage but kept the screwed up the language for sewer back up ... .."originates from WITHING the dwelling" ...say WHAT????

But sump overflow still essentially the same language



POLICY NUMBER: HOMEOWNERS HO 04 95 03 22

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**LIMITED WATER BACK-UP AND SUMP DISCHARGE OR OVERFLOW COVERAGE**

SCHEDULE

Limited Water Back-up And Sump Discharge Or Overflow Coverage Limit Of Liability: \$

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

**A. Section I – Property Coverages**  
**E. Additional Coverages**  
The following coverage is added:  
**Limited Water Back-up And Sump Discharge Or Overflow Coverage**  
We will pay up to the Limit Of Liability shown in the Schedule for direct physical loss, not caused by the negligence of an "insured", to property covered under Section I caused by water, or waterborne material, which:

1. Originates from within the dwelling where you reside and backs up through sewers or drains; or
2. Overflows or is discharged from a:
  - a. Sump, sump pump; or
  - b. Related equipment;
 even if such overflow or discharge results from mechanical breakdown or power failure. This coverage does not apply to direct physical loss of the sump pump, or related equipment, which is caused by mechanical breakdown or power failure.

This coverage does not increase the Limits Of Liability for Coverage A, B, C or D stated in the Declarations.

**B. Section I – Perils Insured Against**  
With respect to the coverage provided under this endorsement, Paragraphs:  
A.2.c.(6)(b) in Form HO 00 03;  
A.2.e.(2) in Form HO 00 05;  
2.h.(2) in Form HO 00 14;  
2.j.(2) in Endorsement HO 05 24;  
3.j.(2) in Endorsement HO 17 31; and  
2.c.(6)(b) in Endorsement HO 17 32;  
are replaced by the following:  
Latent defect, inherent vice or any quality in property that causes it to damage or destroy itself;

**Will the HO policy cover the son's side business??**

**We have an insured whose 16-year-old runs a landscaping and construction business (we found it on Facebook- with pictures showing the kid on a roof with other kids).**

**The dad wants a high umbrella limit so red flags went up.**

**I'm looking at their HO3 for business wording and have it attached.**

**I see where the business exclusion doesn't apply to under 21 as long as there are no employees (which is debatable) but I'm sure he does make \$2000 a year.**

**The kid is still in school and there is no definition of "part time" in the policy but I would say that any loss due to this business endeavor of the son would/should be excluded.**

**I would appreciate your thoughts!**



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**Will the HO policy cover the son's side business??**

**The ISO HO-2000/2011 define business as:**

**I think this kid fits the 3a – "trade" –  
Part-time, full-time or occasional**

**The "any other activity where earn >\$2000  
only applies IF one is NOT a trade,  
profession or occupation**

**The HO-2022 is similar but increases the  
"other activity" value to >\$5,000**

**This kid is somewhere between part-time and  
Full-time ... with facebook page probably way more  
than "occasional"**



**HO-91 defines business as "includes trade, profession or  
occupation ...which can still apply here**

**3. "Business" means:**

- a. A trade, profession or occupation engaged in on a full-time, part-time or occasional basis; or
- b. 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 \$2,000 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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**Will the HO policy cover the son's side business??**

Somehow ... I don't think this kid was in the mind of the ISO person who wrote the "give back" for under 21 insureds – what is "part time" ... is a good question ....

And there can't be ANY employees which it sounds like there is. Sounds like WC might be in order ...also ...

I see a "reservation of rights" letter regarding BI/PD to others – at the very least ...or an outright denial immediately

WC claim ...definite denial

If you found the kid on social media ...company claims department will ...too



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**Will the HO policy cover the son's side business??**

Somehow ... I don't think this kid was in the mind of the ISO person who wrote the "give back" for under 21 insureds –

what is "part time" ... is a good question ....

The HO-2000/2011 language states the business exclusion does NOT apply if an insured (son) is under 21 and involved in part-time or occasional self-employed with NO employees

The HO-2022 reads the same way

The HO-91 has NO give back for insured's under 21



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

Coverages E and F do not apply to the following:

**2. "Business"**

- a. "Bodily injury" or "property damage" arising out of or in connection with a "business" conducted from an "insured location" or engaged in by an "insured", whether or not the "business" is owned or operated by an "insured" or employs an "insured".

This Exclusion E.2. applies but is not limited to an act or omission, regardless of its nature or circumstance, involving a service or duty rendered, promised, owed, or implied to be provided because of the nature of the "business".

- b. This Exclusion E.2. does not apply to:
- (1) The rental or holding for rental of an "insured location";
    - (a) On an occasional basis if used only as a residence;
    - (b) In part for use only as a residence, unless a single family unit is intended for use by the occupying family to lodge more than two roomers or boarders; or
    - (c) In part, as an office, school, studio or private garage; and

- (2) An "insured" under the age of 21 years involved in a part-time or occasional, self-employed "business" with no employees;

**Will the HO policy cover the son's side business??**

There can't be ANY employees which it sounds like there is.

Sounds like WC might be in order ...also ...

I see a "reservation of rights" letter regarding BI/PD to others – at the very least ...or an outright denial immediately

WC claim ...definite denial if no WC policy in place

If you found the kid on social media ...company claims department will ...too



59

**Will the HO policy cover the son's side business??**

Umbrellas will have a business exclusion ...maybe the same as the HO ...or not – could be worse.

Most umbrellas only allows minimal rental business – if underlying and business use of private passenger auto

I would put it in writing that you have discovered this young man's business activities and

warn the family that business is NOT intended to be covered under the HO OR the PUP.

I would suggest making an appointment to discuss commercial lines coverage and workers compensation coverage.

Put the ball in their court ... strongly suggest they need a separate commercial lines policy(ies)

**Yes we did handle it just as you advised- thank you!**



60

### What is "vacant land" under the HO policy

**I have a question for you, my insured owns three houses and a vacant plot all next to each other.**

**They have homeowners insurance on the houses.**

**There's a swing set on the vacant property. Will their homeowners extend liability to the land?**



61

### What is "vacant land" under the HO policy

**So ...your insured owns 3 houses ...all on same address ...or three different addresses?**

**I "assume" only one of them is under an HO-3 and the other on DP policies since, one cannot live in more than one house at a time**

**The following is from ISO HO-2000, but all ISO editions have a definition of "insured location". There is more to it ...but a vacant lot owned by the insured and used by THE insured for a play area for their kids could be an insured location and it does NOT have to be vacant**



**6."Insured location" means:**

- a.** The "residence premises";
- b.** The part of other premises, other structures and grounds used by you as a residence; and
  - (1)** Which is shown in the Declarations; or
  - (2)** Which is acquired by you during the policy period for your use as a residence;
- c.** Any premises used by you in connection with a premises described in **a.** and **b.** above;
- d.** Any part of a premises:
  - (1)** Not owned by an "insured"; and
  - (2)** Where an "insured" is temporarily residing;
- e.** Vacant land, other than farm land, owned by or rented to an "insured";

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### What is "vacant land" under the HO policy

If the swing set is on the adjacent piece of land to be used by the occupants of one of the two other homes, then it is NOT an insured location under the owner's HO policy

The Homeowner is not using the swing set so definition "c" does not apply

It is NOT vacant land because it has a swing set on it

6. "Insured location" means:

- a. The "residence premises";
- b. The part of other premises, other structures and grounds used by you as a residence; and
  - (1) Which is shown in the Declarations; or
  - (2) Which is acquired by you during the policy period for your use as a residence;
- c. Any premises used by you in connection with a premises described in a. and b. above;
- d. Any part of a premises:
  - (1) Not owned by an "insured"; and
  - (2) Where an "insured" is temporarily residing;
- e. Vacant land, other than farm land, owned by or rented to an "insured";



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### What is Intentional injury

I have a client who's 11-year-old daughter was hit in the face with an object while at school, unprovoked, by a student with documented "behavior issues". Assailant is 11 or 12.

He fractured her nose and caused a concussion. She is now forced to miss school and other extracurricular activities.

Can the parents of the victim sue the other parents through the other parents home owner policy?



64

### What is Intentional injury

Anyone can sue for anything ...but ....I would consult a lawyer

Certainly, the school itself should have kept the students safer.

The parents can be responsible for the actions of their child, especially if they know their child has issues

If the child's parents have an HO policy of some type ... let's look at the ISO editions and what would happen

I can only speak to ISO policies ... all have some sort of an "intentional injury" exclusion



65

### What is Intentional injury

#### ISO HO-91 Section II exclusion for personal Liability and Medical Payments to Others

- 1. Coverage E – Personal Liability and Coverage F – Medical Payments to Others do not apply to "bodily injury" or "property damage":**
- a. Which is expected or intended by the "insured";

This exclusion should NOT apply to parents as they didn't do anything. Unless it can be proven that medical doctors had warned the parents that their child was dangerous and parents chose to ignore such warnings.

As a general rule of thumb parents can be legally responsible for actions of children or anyone doing something for them.

The exclusion would only apply to THE insured ...kid ...but if kid has "behavioral issues" ... the HO-91 ALWAYS has had a problem with proving "expected or intended"

Courts made carrier PROVE that the insured knew that by "doing X" – "Y would result" and that is difficult



66

## What is Intentional injury

### ISO HO-2000 Section II exclusion for personal Liability and Medical Payments to Others

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

Coverages **E** and **F** do not apply to the following:

##### **1. Expected Or Intended Injury**

"Bodily injury" or "property damage" which is expected or intended by an "insured" even if the resulting "bodily injury" or "property damage":

- a. Is of a different kind, quality or degree than initially expected or intended; or
- b. Is sustained by a different person, entity, real or personal property, than initially expected or intended.

However, this Exclusion **E.1.** does not apply to "bodily injury" resulting from the use of reasonable force by an "insured" to protect persons or property;

I think it would be difficult for a company to prove that a kid with behavioral issues and certainly with the age - the younger the kid is the more difficult to prove.

It does say by "an insured" ....which ISO DOES define ...last paragraph in the definition of "insured"

Under both Sections I and II, when the word an immediately precedes the word "insured", the words an "insured" together mean one or more "insureds".



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## What is Intentional injury

### ISO HO-2000 Section II exclusion for personal Liability and Medical Payments to Others

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

Coverages **E** and **F** do not apply to the following:

##### **1. Expected Or Intended Injury**

"Bodily injury" or "property damage" which is expected or intended by an "insured" even if the resulting "bodily injury" or "property damage":

- a. Is of a different kind, quality or degree than initially expected or intended; or
- b. Is sustained by a different person, entity, real or personal property, than initially expected or intended.

However, this Exclusion **E.1.** does not apply to "bodily injury" resulting from the use of reasonable force by an "insured" to protect persons or property;

The language is more of an "intentional action" exclusion but the younger the insured and an insured with mental/emotional challenges ... tough to prove the expected or intended ...

Though with 2000/2011/2022 ... if can prove ...KNEW would cause some injury ...the fact that injury was WORSE than expectation is still excluded ...

and again ...what do the parents know about the mental/emotional capacity of their child?



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### What is Intentional injury

#### ISO HO-2011/2022 Section II exclusion for personal Liability and Medical Payments to Others

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

Coverages E and F do not apply to the following:

##### 1. Expected Or Intended Injury

"Bodily injury" or "property damage" which is expected or intended by an "insured", even if the resulting "bodily injury" or "property damage":

- a. Is of a different kind, quality or degree than initially expected or intended; or
- b. Is sustained by a different person, entity or property than initially expected or intended.

However, this Exclusion E.1. does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force by an "insured" to protect persons or property;

The HO-2011/2022 is essentially the same as the HO-2000 making it more of an “intentional action” exclusion than intentional injury exclusion ... but exclusion N/A if protection self or one’s property



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### What is Intentional injury

I think the “key” is “behavioral issues”.

Has it happened before ...and if so ...the SCHOOL will be partially responsible also

Of course, If the parents don’t have HO insurance ...can’t get blood out of a rock

But ...first consultation with a lawyer is generally “free”.

If they take case based on what % of award they will get v. hourly fee then the lawyer believes there is some hope for \$\$



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### Government action damage

We had an insured that presented us with a hypothetical question based on a TV show they watched.

The insured was asking if there would be coverage to their home if the police came in and “tore it apart” looking for something?

I appreciate any insight you have to this situation.



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### Government action damage

And the answer is ...it depends

Can only speak to ISO policies.

The ISO HO-91 – HO-3 or HO-3 + HO-15 could pay this loss as there is no exclusion.

But as of the HO-2000/2022/2022 the following exclusion was added to the “overall” exclusion section:

#### 9. Governmental Action

Governmental Action means the destruction, confiscation or seizure of property described in Coverage **A**, **B** or **C** by order of any governmental or public authority.

This exclusion does not apply to such acts ordered by any governmental or public authority that are taken at the time of a fire to prevent its spread, if the loss caused by fire would be covered under this policy.



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**Government action damage**

I guess companies were getting sick of paying claims ... and not getting reimbursed by the government.

So ... whether they were searching the right house or not ... get your damage dollars from the government!!

The only government related damage loss that would be paid is "backfire" ...burning your house down in hopes of keeping a wildfire from spreading.

I wonder what TV program your client was watching!

Agent responded ....

Thank you,

I went with 'it would depend on the situation but there might be some coverage.' I advised I will need to get a clearer answer.

She was watching serial killer of long island I believe was the name she stated.



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**Total loss payment ...how does it work**

I am emailing to ask how would the hold back/depreciation on a total loss(fire) would be handled if the insured decided to rebuild from the ground up elsewhere or rebuild in a development that is already started?

He has already settled on the ACV with his carrier.

Please advise.



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### Total loss payment ...how does it work

In MA the Iso version of loss settlement is amended by the ISO HO 01 20 to:

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 prior to the loss, we will pay the cost of repair or replacement, after application of deductible and without deduction for depreciation. **We will pay replacement cost if the damaged building is repaired or replaced by you on the "residence premises" or some other location within the Commonwealth of Massachusetts within a reasonable time but not more than two years from the date of loss.**

We will pay 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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### Total loss payment ...how does it work

In the ISO HO policy ... nationally and not modified by the HO 01 20 MA state amendatory endorsement is:

- e. 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 according to the provisions of this Condition C. Loss Settlement, provided you notify us of your intent to do so within 180 days after the date of loss.*

So ..your insured opted for ACV ... the ISO policy states they have 180 days to make claim to the R/C loss settlement -but since we have amended the R/C settlement.

I would think it changes to a maximum of 2 years ...

but one only gets R/C if relocating IN MA ...and then the costs to rebuild are based on the location and address ON the policy...

if it costs more to do it elsewhere ...too bad (words in blue) ...

also the replacement cost with LKQ ...reinforces the ordinance or law issue ...

the unendorsed ISO HO policy provides 10% of Coverage A on ordinance or law expenses (additional amount)



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**Total loss payment ...how does it work**

Has he talked to the carrier?

What's going to happen at the damaged house location ...  
if he uses \$\$ for debris removal ...that REDUCES the overall limit of insurance available.

I think this could be "a mess" ...and this is one of the few times that I would suggest a qualified public adjuster – unless the company adjuster is truly helpful.

And public adjusters are not "free" ...



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**Renting mini-backhoe**

I hope you are still involved and my question is if a homeowner rents a mini backhoe to work in their yard does the home policy cover the machine for physical damage while at the home and while operating does it cover liability?

At what point are you officially retired?



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## Renting mini-backhoe

And the answer is ...it depends

I can only speak to "ISO" companies ...

The ISO HO-91 is the most lenient ...

For contents ... the property not covered:

would respond to a vehicle  
used to service an insured's  
residence



**3.** Motor vehicles or all other motorized land conveyances. This includes:

- a.** Their equipment and accessories; or
- b.** Electronic apparatus that is designed to be operated solely by use of the power from the electrical system of motor vehicles or all other motorized land conveyances. Electronic apparatus includes:
  - (1)** Accessories or antennas; or
  - (2)** Tapes, wires, records, discs or other media;

for use with any electronic apparatus. The exclusion of property described in **3.a.** and **3.b.** above applies only while the property is in or upon the vehicle or conveyance.

We do cover vehicles or conveyances not subject to motor vehicle registration which are:

- a.** Used to service an "insured's" residence; or
- b.** Designed for assisting the handicapped

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## Renting mini-backhoe

The ISO HO-91 is the most lenient ...  
and again the exception to the motorized  
land conveyance Section II exclusion:  
would provide BI/PD for injury caused  
during use ...(of course no liability  
coverage for damage TO the insured's  
home/property

This language was always interpreted ...as  
long as the insured is using it to service the  
premises ...at least once ...then there is  
coverage



**4)** A vehicle or conveyance not subject to motor vehicle registration which is:

- (a)** Used to service an "insured's" residence;

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### Renting mini-backhoe

The HO-2000 is more limiting

Contents exception to the "motor vehicle" exclusion

Could interpret that this piece of rental equipment could be used for other things  
rented for commercial use  
rented for other people's residence

And therefore not used SOLELY to service an "insured's" residence

(2) We do cover "motor vehicles" not required to be registered for use on public roads or property which are:

- (a) Used solely to service an "insured's" residence; or
- (b) Designed to assist the handicapped;



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### Renting mini-backhoe

The HO-2000 is more limiting

The HO-2000 liability exclusion could apply for the same reasons discussed for contents

This mini backhoe can be rented by other people to do other things OTHER than to be used SOLELY to service the "insured's" residence

- b. Used solely to service an "insured's" residence;



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### Renting mini-backhoe

The ISO HO-2011/2022 – better than HO-2000 but not as good as HO-91

Contents exception to “motor vehicle” exclusion

Still could allow company to deny coverage since this equipment could be rented for use OTHER than at a residence (commercial use)

- (2) "Motor vehicles" not required to be registered for use on public roads or property which are:
- (a) Used solely to service a residence; or
  - (b) Designed to assist the handicapped;



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### Renting mini-backhoe

The ISO HO-2011/2022 – better than HO-2000 but not as good as HO-91

Section II exception to motor vehicle liability exclusion exception

Still could allow company to deny coverage since this equipment could be rented for use OTHER than at a residence (commercial use)

- b. Used solely to service a residence;



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### Renting mini-backhoe

With the HO-2000/2011/2022– how does the carrier interpret the term “solely”.

Should there be coverage as long as the insured who is renting it is renting it to use solely on the insured’s residence (HO-2000) or solely on A residence (HO-2011) ...  
or will the company look at the overall usage of the mini backhoe.

Certainly, from an HO-2000 standpoint it is rented to be used on more than THE insured’s residence ...and even from an HO-2011/2022 standpoint ...contractors can rent it to use on things other than A residence

You would have to ask the company’s opinion ...which is dangerous when you are asking an underwriter a claims question.

In today’s world, I have become a cynic when it comes to company interpretation of a policy ... and hence ...time for my retirement. I will be working some for the association next year ...



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### 24 month policy

**I have an account where the landlord is requiring a 24 Month Indemnity period.**

**I’ve never seen a 24 Month Indemnity period on a policy.**

**The maximum I’ve seen is 12 months.**

**Do you know if it’s even available?**



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**24 month policy**

**Always enjoy a good laugh.**

**That landlord is insane especially in THIS market where we pray the policy gets renewed.**

**You can ask a carrier for a 24-month policy but I would bet the answer is “no”.**

**I’m old. We used to have 3-year HO policies but that was before computerization.**



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**Thank you for attending...**

**Your questions,  
our answers  
Homeowners**



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