

DWELLING POLICIES

Dwelling Special Provisions – DP 01 31

The following special provisions are added to specified dwelling policies in New York.

Broad Theft Coverage – DP 04 83

Dwelling policyholders can add this coverage, choosing limits of liability for both on-premises and off-premises theft. It insures against direct physical loss to personal property owned or used by the insured caused by the perils of: theft, attempted theft, vandalism or malicious mischief.

This coverage excludes losses to dwellings that have been vacant for more than 30 days immediately prior to the loss. (Dwellings under construction are not considered vacant.)

Glass or Safety Glazing Material Other Coverage

In Dwelling forms DP-2 and DP-3, coverage includes:

- Breakage of glass or safety glazing material that is part of a covered building, storm door, or storm window, including breakage caused directly by earth movement
- Direct physical loss to covered property caused solely by pieces, fragments, or splinters of broken glass or safety glazing material that is part of a building, storm door, or storm window

Exclusions to this coverage are:

- Losses to dwellings that have been vacant for more than 30 consecutive days immediately before the loss (unless the loss is the direct result of earth movement)

Under this coverage, damaged glass will be replaced with safety glazing materials when required by state law.

Dwelling Under Construction – DP 11 43

This endorsement is meant to cover builder's risk and applies only to the dwelling or structure while under construction. The premium is based on the average amount of insurance during construction, and the limit of liability in the declarations for Coverage A is provisional. The amount of insurance on any date while the policy is in force will be a percentage of the provisional amount. The percentage will be the proportion that the actual value of the property bears to the value at the date of completion.

Selected New York Homeowners Endorsements

Ordinance or Law Other Coverage

This additional coverage applies to all Dwelling forms except DP-1. It covers the increased costs a dwelling owner must pay when state law requires the demolition, remodeling, renovation, or repair of a structure damaged by a covered peril, including the removal of debris.

Ordinance or Law pays up to 10% of the Coverage A limit, or up to 10% of the Coverage B limit if the policyholder doesn't have Coverage A. Tenants are allowed to use up to 10% of the limit of liability for Improvements, Alterations and Additions at each covered location.

This coverage does not include costs the dwelling owner must pay to comply with laws requiring the testing, monitoring, clean up, removal, and treatment of pollutants.

HOMEOWNERS POLICIES

Special Provisions New York – HO 01 31

This endorsement is added to all Homeowners policies written in the state of New York. It makes minor changes to sections of the many different homeowner's forms. Here are some of the main provisions:

- The limit of **Additional Coverage of Credit Card, Fund Transfer Card, Forgery and Counterfeit Money** is increased from \$500 to \$1,000.
- The **Vacancy** provision is changed, reducing the allowable time from 60 days to 30 days. In other words, buildings that are vacant for 30 days are not eligible for coverage.
- The **Mold Exclusion** is deleted from the peril of **Accidental Discharge or Overflow of Water or Steam**, and is also removed from the Coverage A and B exclusions in the HO-3 and HO-5 forms.
- Under **Conditions**, the standard provision that an insurer's duty to defend ends when the limit of liability is exhausted is deleted.

Earthquake – HO 04 54

This endorsement adds coverage for the peril of earthquake with a deductible between 2 percent and 25 percent of the building's value.

Identity Fraud Expense – HO 04 55

This optional coverage pays up to \$15,000 for expenses incurred by an insured as the direct result of identity fraud that is first discovered or learned of during the policy period.

Scheduled Personal Property – HO 04 61

Similar for an inland marine fine arts policy, for an additional premium, this endorsement allows homeowners to purchase a specific amount of coverage for specifically described articles of property in the following categories:

- Jewelry
- Furs
- Cameras and related equipment
- Musical instruments
- Silverware, goldware, and pewterware
- Golfer's equipment
- Fine art
- Postage stamps
- Rare and current coins

The endorsement also provides a limited amount of coverage for new items, so they can be covered until the insured reports them to the insurer. A new piece of fine art is automatically covered at 25% of the amount of coverage purchased for other fine art in the policy. The insured has 90 days to report a new item to the insurer to be eligible for full coverage.

For policyholders who already have coverage for jewelry, furs, cameras, and musical instruments, this endorsement provides the lesser of the following:

- 25% of the amount of coverage for items in that category; or,

- \$10,000 for losses to any new items that fall into that category. The insured must report the new items within 30 days and pay the additional premium in order for the new items to be fully covered.

Losses to scheduled fine art are paid on an agreed value basis, but losses to all other scheduled property covered by this endorsement will be paid at the least of the following:

- Actual cash value
- Reasonable repair cost
- Reasonable replacement cost
- Limit of insurance for that class of property

***Note:** *There is no deductible for this coverage!*

Personal Property Replacement Cost – HO 04 90

Without endorsement, most homeowner’s policies only pay actual cash value (ACV) for damaged or lost personal property. This endorsement allows homeowners to pay an additional premium to secure replacement cost coverage (RCV) for this personal property. There is an exception: Any property that is already insured under Agreed Value Coverage is not covered by this endorsement.

However, if covered losses are paid in accordance with, and is limited to the lesser of:

- Replacement cost of the item at the time of loss
- Full cost to repair the item
- The limit for Coverage C
- Special limits
- Agreed value limits

Certain property is not eligible for, and is not included, under this coverage:

- Antiques and fine art
- Collector’s items and memorabilia
- Items not in working condition
- Non-usable, obsolete items

For items with a replacement value of more than \$500, the policy will pay actual cash value first and the remainder of the cost to repair or replace the item if the insured notifies the insurer that such action will take place within 180 days of the initial claim.

Home Business – HO 07 01

This optional endorsement to a homeowner’s policy is meant to provide broader coverage for when an insured has a home business. It offers more options and more protections for risks associated with home businesses than the permitted incidental occupancy endorsement does. Designed for small businesses, this coverage is very similar to the BOP commercial insurance form.

Personal Injury – HO 24 86

The typical liability coverage in a homeowner’s policy applies to property damage and bodily injury, but not personal injury. This endorsement adds coverage for personal injury arising from things like speaking or publishing material that slanders another person, invasion of privacy, wrongful eviction, or wrongful entry.

Workers' Compensation Certain Residence Employees – HO 24 93

This endorsement provides workers' compensation coverage for employees who work in the residence of the policyholder. Covered resident employees must be engaged in regular employment fewer than 40 hours per week or be engaged in casual employment. Coverage does not extend to any employee who is not required to be covered under New York workers' compensation law.

Water Back-Up and Sump Discharge or Overflow – HO 23 85

The Water Back Up and Sump Discharge or Overflow endorsement provides a specified amount of coverage for losses resulting from water that either backs up from the sewer, or overflows or is discharged from a sump pump or related equipment. This coverage applies even if the overflow or discharge results from a mechanical breakdown of the sump pump equipment. While this endorsement covers loss caused by the water, it does not cover damage to the sump pump equipment itself.

Of course, water damage caused by a flood is excluded. Therefore, if the water backed up through the sewer, or overflowed or was discharged from sump equipment because of a flood, then this coverage would not apply. This endorsement has a \$250 deductible.

General Exclusions

Power Failure - is changed to cover the loss of power or another utility service if the failure results in a loss from a covered peril on the described location.

Intentional Loss - is replaced to clarify that the insurer will not provide coverage if a person insured under the policy commits (or directs someone else to commit) an act with the intention to cause a loss.

Conditions

Concealment or Fraud - is changed to clarify that loss will not be covered if, before or after a loss, an insured either engages in fraudulent conduct or intentionally conceals or misrepresents any material fact or circumstance relating to this insurance.

Suits Against Us - is changed to state that no action can be brought against the insurer unless the insured has complied with all policy provisions, and the action is started within two years after the date of loss.

Cancellation and Nonrenewal

Cancellation and Nonrenewal has been changed to reflect New York law:

- Policy may be cancelled for non-payment of premium at any time with fifteen (15) days written notice to the policyholder
- Any policy in effect for less than sixty (60) days may be cancelled for any reason with thirty (30) days' notice to the policyholder
- A policy in effect more than sixty (60) days can only be cancelled for reasons specified by New York law, and with thirty (30) days' notice
- Nonrenewal is only allowed for reasons specified by New York law. The insurer may choose to amend the limits of liability or reduce coverage not required by law for the same reasons. If the insurer chooses to amend or reduce coverage, it is required to give written notice to the policyholder at least forty-five (45) days, but no more than sixty (60) days before the policy's expiration date