

HO 3 / HO 5 – Single Family Owners Policy *Overview*

Definition: An HO-3 / HO-5 policy provides coverage for both the entire structure as well as personal contents.

Policy Highlights:

Coverage A: Dwelling Coverage: Covers the dwelling on the residence premises shown in the declarations including attached structures (i.e. garage or deck; also items of the structure such as sheetrock)

Coverage B: Other Structures: Covers other structures on the residence premises, set apart from the dwelling by clear space (e.g. tool shed, detached garage). This also includes structures connected to the dwelling by only a fence, utility fence or similar connection.

Coverage C: Personal Property: Coverage is defined as and should include such items as the couch, jewelry, clothes, dishes, etc. (All those things you would take with you when you move).

Coverage D: Loss of Use: If a covered loss makes the unit uninhabitable, the policy covers the Living Expense that results. Additional Living Expense is the necessary increase in living expense incurred by you so that your household can maintain its normal standard of living. For example, this would include the increased cost to live in a motel, eat all meals at restaurants, and increased costs to do laundry.

Coverage E: Liability: Protects the insured should a claim be made or suit be brought for damages because of bodily injury or property damages caused by an occurrence for personal liability within the home. The policy will provide defense and pay damages up to the limit of liability for which the insured is legally liable.

Coverage F: Medical Payments to Others: Will pay the necessary medical expenses incurred or medically ascertained within 3 years from the date of the accident causing the bodily injury within the home.

Optional Endorsements:

- **Ordinance or Law:** Township codes requiring additional repairs or construction.
- **Sewer Back Up:** Overflow or backup of sewer drain covers resulting damage.

Important Points:

- **Loss Assessments** is defined as a charge by the Association to each homeowner collection for their share when such an assessment is made necessary by a loss to the Association.
- **HO 3 vs HO 5**
 - HO 3 Provides Coverage on a “Named Peril Basis” for Personal Property
 - HO 5 Provides Coverage on an All Risk / Open Perils Basis
 - More Inclusive Policy
 - “Coverage Rich” ie: Replacement Cost Automatic