

	HOA	HOA+(HO470T)	HOB	ISO HO3
<b>INSURED</b>	Residents of your household who are your relatives or other persons under the age of 21 and in the care of any person named above	Residents of your household who are your relatives or other persons under the age of 21 and in the care of any person named above	Residents of your household who are your relatives or other persons under the age of 21 and in the care of any person named above	Residents of your household who are (1) your relatives or other persons under the age of 21 and in the care of any person <b>named above</b> . Also includes a student enrolled in school full time, as defined by the school, who was a resident of your household before moving out to attend school, provided the student is under the age of (1) 24 and your relative; or (2) 21 and in your care or the care of a resident relative.

Most of the definitions in the policies are the same or very similar. There are a couple that are worth mentioning. The major difference in definition of insured is how students are treated. The HO-3 specifies how coverage applies to certain students living away from home while Texas does not. Another interesting point is that there has been confusion regarding coverage for persons in the care of a resident relative. A court ruled that **named above** in the HO-3 form referred to the named insured in the policy and may not include resident relatives as was intended so ISO has removed **named above** in the 2011 Version and replaced with **“in your care or the care of a resident of your household who is your relative.”**

<b>RESIDENCE PREMISES</b>	One or two family dwelling where an insured resides or intends to reside within 60 days after effective date	One or two family dwelling where an insured resides or intends to reside within 60 days after effective date	One or two family dwelling where an insured resides or intends to reside within 60 days after effective date	One, two, three or four family dwelling where you reside in at least one of the family units
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There are several significant differences between the forms in the definition of **Residence Premises**. The HO-3 includes additionally 3 and 4 family units where the insured resides in at least one of the family units. ISO form requires the named insured to reside in the residence. Texas forms permit any insured. Notice the difference between the TX forms and ISO. Texas forms refer to **an insured resides or intends to reside** while ISO says **you reside**. Texas forms also allow 60 days after the effective date to reside there while the HO-3 does not provide any additional time.

<b>PERSONAL PROPERTY OFF PREMISES</b>	Owned, worn or used by an insured anywhere in the world limited to 10% of Cov B	Owned, worn or used by an insured anywhere in the world limited to 10% of Cov B	Owned, worn or used by an insured anywhere in the world limited to 10% of Cov B	Owned or used by an insured anywhere in the world. The limit for personal property usually located at an “insured’s” residence, other than the “residence premises” is 10% of Cov C.
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<p>Now let's take a look at Covered Property. The TX forms limit personal property coverage off premises to 10% of Cov B. The HO-3 only limits property at other residence premises to 10%. The ISO 2011 version also limits personal property located in a self-storage facility to 10% of the limit for Coverage C. If not self storage then the full limit would apply. Endorsement HO 06 14 can be used to increase the limit in self storage.</p>				
<b>MOTOR VEHICLES</b>	<p>Not covered, except: vehicles not subject to motor vehicle registration which are:</p> <ul style="list-style-type: none"> <li>(1) devices and equipment for assisting the handicapped</li> <li>(2) power mowers</li> <li>(3) golf carts</li> <li>(4) recreational vehicles while located on the residence premises</li> <li>(5) farm equipment not designed for use principally on public roads</li> </ul>	<p>Not covered, except: vehicles not subject to motor vehicle registration which are:</p> <ul style="list-style-type: none"> <li>(1) devices and equipment for assisting the handicapped</li> <li>(2) power mowers</li> <li>(3) golf carts</li> <li>(4) recreational vehicles while located on the residence premises</li> <li>(5) farm equipment not designed for use principally on public roads</li> </ul>	<p>Not covered, except: vehicles not subject to motor vehicle registration which are:</p> <ul style="list-style-type: none"> <li>(1) devices and equipment for assisting the handicapped</li> <li>(2) power mowers</li> <li>(3) golf carts</li> <li>(4) recreational vehicles while located on the residence premises</li> <li>(5) farm equipment not designed for use principally on public roads</li> </ul>	<p>Not covered, except: vehicles not required to be registered for use on public roads or property which are:</p> <ul style="list-style-type: none"> <li>(1) used solely to service an insured's residence; or</li> <li>(2) designed to assist the handicapped</li> </ul>
<p>Motor vehicles are more limited on the HO-3 than the TX forms. Power mowers, golf carts and recreational vehicles are a good example. There is a separate endorsement for Golf Carts but none for Recreational Vehicles. The new 2011 ISO version has been amended to read "solely service a residence". Notice it doesn't say an insured's residence. There would be coverage when you take your mower to mow your mother's yard but not if you volunteered to cut the church lawn with your mower. Texas forms do not limit location of power mowers.</p>				
<b>BUSINESS PERSONAL PROPERTY</b>	\$2500 (on premises only, not including samples or articles for sale)	\$2500 (on premises only, not including samples or articles for sale)	\$2500 (on premises only, not including samples or articles for sale)	\$2500 (on premises) and \$500 (off premises)
<p>ISO 2011 version increased business personal property off premises to \$1500.</p>				
<b>WATERCRAFT</b>	No limit	No limit	No limit	\$1500 including trailers and equipment
<p>ISO form covers boats, trailers and equipment on and off the premises up to \$1500 but is not adequate coverage in most situations. Need a separate watercraft policy which most large carriers have their own policy. TX forms have no limit but the trailer must be on the insured premises and boats must be on land on the premises. Neither homeowner policy is a good choice for an active boater.</p>				
<b>PERILS INSURED AGAINST</b>				
<p>Let's take a look at some of the differences in specific perils insured against. One Interesting fact is that the <b>Insuring Agreement</b> for the ISO HO-3 states "We insure against <b>risk</b> of physical loss to property described in Coverages A and B" Do you see the problem with that statement? Should the policy provide for risk of damage or actual damage? The 2011 version removes "<b>risk</b>". The HOB refers to all risks of physical loss however has not seen the need to change the wording.</p>				

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<b>WINDSTORM AND HAIL</b>	Yes, except loss; (1) to cloth awnings (2) to greenhouses and their contents (3) to buildings or structures over water and their contents (4) to radio and TV antennas and satellite dishes (5) consisting only of wind-driven rain	Yes, except loss; (1) to cloth awnings (2) to greenhouses and their contents (3) to buildings or structures over water and their contents (4) to radio and TV antennas and satellite dishes (5) consisting only of wind-driven rain to personal property (6) constant or repeated seepage or leakage of water or steam over a period of 14 days or more	Yes, except loss; (1) to cloth awnings (2) to greenhouses and their contents (3) to buildings or structures over water and their contents (4) to radio and TV antennas and satellite dishes (5) consisting only of wind-driven rain to personal property	Yes, except loss; (1) to watercraft and equipment unless in a fully enclosed building (2) consisting only of wind-driven rain to personal property

The HOA+ and HOB changes the wind driven rain exclusion so that it only applies to personal property and not the dwelling. HOA+ adds a seepage/leakage exclusion over 14 days such as you might get with un repaired wind or hail damage to a roof. The ISO HO-3 does not exclude the other items as the TX form does but the ISO form does exclude the wind coverage on watercraft and equipment out in the open which the TX forms do not.

<b>WATER DAMAGE</b>	No	Yes. covers damage caused by sudden and accidental discharge or overflow of water from within a plumbing, heating or air conditioning system or household appliance	Yes. with regard to personal property, loss must be caused by accidental discharge, leakage or overflow of water or steam from within a plumbing, heating or air conditioning system or household appliance	Yes, except; (1) constant or repeated seepage or leakage (2) backup through sewers or drains (3) overflow or discharge from a sump, sump pump. With regard to personal property, loss must be: (1) caused by accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system, or household appliance (not including a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment.) (2) from a source on the residence premises
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There are significant coverage differences between the TX forms and between the HOB and HO-3. The HO-3 basic policy does provide coverage for leakage/seepage over time but the Special Provisions endorsement HO 01 42 excludes it and most companies do attach the special provisions to the HO-3. The HOA+ excludes seepage or leakage over 14 days; water below or within the slab or foundation; damage to building foundation and walls caused by water discharge. Coverage for seepage can be obtained by ISO HO 04 67 and water backup and sump overflow can be provided by HO 04 69 with a \$250 deductible. The ISO 2011 version added the excluded perils Tsunami, Tides, Storm Surge, water from a dam, levee or seawall. All due to natural disasters in recent years. The 2011 version also provides a new endorsement HO 04 95 which can provide limited backup and sump overflow at optional limits above the \$5000 limit but the policy deductible would apply.

Another issue related to Water damage has to do with the origin or location of where the water came from that causes damage. If a water main breaks in a neighborhood and causes damage to a home, there is no coverage provided by the HOA as water is not a covered peril. No coverage on the HOA+ since the coverage only applies to discharge from a plumbing system or household appliance. The HOB covers the dwelling since it is an all risk policy. The personal property would not be covered since coverage only applies to discharge from a plumbing system. The ISO HO-3 covers the dwelling but not the personal property. The HOC or HO-5 would be the only policies that would cover both the dwelling and personal property.

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<b>THEFT</b>	<p>Yes, except loss of;</p> <p>(1) personal property away from the residence premises at any other residence owned by, rented to or occupied by an insured, except while temporarily living there</p> <p>(2) building materials and supplies not on the residence premises</p> <p>(3) personal property while away from the residence premises and unattended in or on any motor vehicle or trailer unless there are visible marks of forcible entry</p>	<p>Yes, except loss of;</p> <p>(1) personal property away from the residence premises at any other residence owned by, rented to or occupied by an insured, except while temporarily living there</p> <p>(2) building materials and supplies not on the residence premises</p>	<p>Yes, except loss of;</p> <p>(1) personal property away from the residence premises at any other residence owned by, rented to or occupied by an insured, except while temporarily living there</p> <p>(2) building materials and supplies not on the residence premises</p>	<p>Yes, except loss;</p> <p>(1) in or to a dwelling under construction</p> <p>(2) committed by an insured</p> <p>(3) of materials and supplies for use in construction until the dwelling is finished and occupied</p> <p>(4) from that part of a residence premises rented by an insured to someone other than another insured</p> <p>(5) that occurs off the residence premises of;</p> <p>a. trailers, semi-trailers and campers</p> <p>b. watercraft and equipment</p> <p>c. property while at any other residence owned by, rented to, or occupied by an insured.</p> <p>Property of an insured who is a student is covered at the residence the student occupies as long as the student has been there at any time during the 60 days immediately before the loss.</p>

The HOA has the locked vehicle warranty which means that for theft to be covered the unattended vehicle must be locked and there must be evidence of forcible entry. The vehicle is not considered unattended when the keys are entrusted to a parking attendant or valet. The HOA+ and HOB has the locked vehicle warranty removed. The HO-3 covers the property of an insured who is a student while away at school if meeting the 60 day requirement. The ISO 2011 version increases the time limit to 90 days. The TX forms have no time limit but coverage is limited to 10% including theft.

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<b>FREEZING, INCLUDING ENSUING DAMAGE BY WATER</b>	No	Yes, unless you have used reasonable care to maintain heat in the building or shut off the water supply and drain the systems  Does not cover a sump, sump pump or related equipment or a roof drain, gutter downspout or similar fixtures or equipment	Yes, except while the building is unoccupied unless you have used reasonable care to maintain heat in the building or shut off the water supply and drain the systems	Yes, but only if you have used reasonable care to maintain heat in the building or shut off the water supply and drain all systems and appliances of water, excluding freezing of and ensuing water damage from sump, sump pump, roof drain, gutter downspout  With regard to personal property, this cause of loss includes freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance

This peril received a lot of attention this past winter due to the prolonged cold weather that many parts of Texas experienced. The HOA form provides no coverage for freezing or water damage. The HOA+ removes reference to “unoccupied” but does cover freezing and water damage unless the break is below the surface of the ground or within or below the slab or foundation. The other TX forms and ISO forms cover freezing and water damage. Generally if freezing and water damage are covered perils, the damage would be covered in the event of a loss. Actual coverage will depend on how the carrier interprets the cause of loss and the exclusions in the policy. Especially as they relate to the exclusion “**Changes in or extremes of temperature**” and “**Reasonable Care**”. The other freezing issue that carriers dealt with this past winter had to do with freezing damage to swimming pool equipment such as pumps, filter systems and other related equipment.

<b>FREEZING, THAWING, PRESSURE OR WEIGHT OF WATER OR ICE</b>	NA	Not Excluded	Not Excluded	Excluded if to fence, pavement, patio or swimming pool, footing, foundation, bulkhead, wall or any other structure or device that supports all or part of a building, or other structure; retaining wall or bulkhead that does not support all or part of a building or other structure; or pier, wharf or dock
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It was reported that some ISO carriers denied claims due to the exclusion of swimming pools and interpreted that pool equipment was included as part of swimming pool. Some carriers also have specific exclusions regarding “related pool equipment”. TX forms do not have these exclusions.

	HOA	HOA+(HO470T)	HOB	ISO HO3
<b>WEIGHT OF ICE, SNOW OR SLEET</b>	No	Yes  See Damage to Outdoor Property	Yes for dwelling and other structures  No for personal property	Yes for dwelling and other structures  Yes for personal property if contained in a building
There is no comparable TX peril however damages to property inside a dwelling could be covered by another covered peril such as Collapse or water leak from the roof.				
<b>DAMAGE TO OUTDOOR PROPERTY</b>	Yes	No damage to outdoor equipment, fences, driveways, walls, lawns, trees, shrubs and plants or retaining walls and bulkheads not part of the building caused by vandalism, vehicles owned or operated by an insured, falling trees or limbs, weight of ice, snow or sleet or collapse	Yes	Yes
This is a well-hidden and troublesome exclusion in an area where coverage would be provided by the basic HOA.				
<b>ANIMALS</b>	NA	NA	Excluded, meaning damage by rats, mice, termites, moths, insects, animals or birds owned or kept by an insured or occupant	Excluded, meaning damage by birds, vermin, rodents, insects, animals owned or kept by an insured
The primary difference is reference to <b>“vermin”</b> in the ISO form. The difficulty and problem is what is <b>“vermin”</b> . What all is excluded? One definition would include an offensive person. The new 2011 ISO version removes reference to <b>“vermin”</b> and replaces it with <b>“nesting or infestation, or discharge or release of waste products or secretions by any animals”</b> .				
<b>LOSS WHILE DWELLING VACANT</b>	Excluded after 60 days-all causes of loss, if the insured moves from the dwelling and substantial part of the personal property is removed from the dwelling	Excluded after 60 days-all causes of loss, if the insured moves from the dwelling and substantial part of the personal property is removed from the dwelling	Excluded after 60 days-all causes of loss, if the insured moves from the dwelling and substantial part of the personal property is removed from the dwelling	Excluded after 60 days-applicable only to vandalism and malicious mischief
The primary difference here is that coverage would still apply to Personal Property on TX forms after 60 days and the vacancy clause only applies to V & MM on the HO-3.				

	<b>HOA</b>	<b>HOA+(HO470T)</b>	<b>HOB</b>	<b>ISO HO3</b>
<b>FOOD SPOILAGE</b>	If resulting from damage to the dwelling by a covered cause of loss, Coverage B limit applies with no deductible; if resulting from off-premises damage, \$500 limit applies	If resulting from damage to the dwelling by a covered cause of loss, Coverage B limit applies with no deductible; if resulting from off-premises damage, \$500 limit applies subject to a \$100 deductible	If resulting from damage to the dwelling by a covered cause of loss, Coverage B limit applies with no deductible; if resulting from off-premises damage, \$500 limit applies	If resulting from damage to the dwelling by a covered cause of loss, Coverage C limit applies subject to deductible; no coverage if resulting from off-premises damage, but coverage available by endorsement

The ISO HO-3 is more restrictive than the TX forms in that loss from off premises damage is not covered. There is an endorsement HO 04 98 Refrigerated Property Coverage that provides up to \$500 coverage subject to a \$100 deductible.