

COVERED OR NOT COVERED

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The Case of the Newly Acquired Auto

- Your insured acquired an additional car one month ago. He forgot to tell you about the new car and has just called to report an at fault accident with injuries and damages to the other vehicle and his car.



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Newly Acquired Auto

- How many days do you have?
- How will policy respond if there is an accident
- Watch the 2018 changes



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DEFINITIONS – “NEWLY ACQUIRED AUTO”

- The Definition explains **WHEN** the vehicle must have been acquired, **WHO** must own the vehicle, and **WHICH** vehicles are eligible.

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“Newly Acquired Auto” – Coverage Recap - 2018

Liability UM/UIM Medical Payments PIP	For 14 days Broadest coverage of any vehicle on the policy	
Other Than Collision (OTC)	14 or 4 days	
	14 days if a vehicle on the policy has OTC 4 days if no vehicle on the policy has OTC \$500 deductible applies	
Collision	14 or 4 days	
	14 days if a vehicle on the policy has Collision 4 days if no vehicle on the policy has Collision \$500 deductible applies	

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The Case Of The At- Fault Husband

Your insured had an at-fault accident while driving an insured vehicle. He lost control on an icy road and went down an embankment and hit a tree. His wife, a passenger in the vehicle, was seriously injured. She is also a “named insured” under the policy. Is there coverage under their policy for her injuries? If so, what part of the policy would she be able to collect under?

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Husband At Fault?

- Icy road
- Insured driving
- Wife injured
- Coverage under their policy



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Delivery or Not?

Your insured loaned her van – on one occasion only – to her neighbor who owns a flower shop to use for delivery on Valentine’s day. The shop’s van would not start that morning. While making a delivery an employee for the store rolled the van.

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Animal Injured in Auto Accident

We have an insured who has a personal auto policy through our agency. She was involved in an at-fault accident. Her policy paid for the property damage to the other vehicle, but we have been presented with veterinary charges for the other party's dog who was badly injured in the accident. The carrier denied the payment to the other party for the vet bills. Is there coverage?



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Animal Injured in Transit Covered by PAP

- Vet charges
- Exclusion – property damage to property owned or being transported by insured
- Pet injury coverage – new to 2018
- **(PP 33 31 09 18)**



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Racing

Liability Exclusions
 Applying to Vehicles
 Also New to 2018

Vehicle inside a facility designed for racing while participating, competing, practicing or preparing for a prearranged or organized race, or speed contest, **or a driver skill training or driver skill event**

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Liability Exclusions
 Applying to Vehicles
 Proactive vs. Reactive

Flying Vehicle

No coverage for a vehicle that is also capable of flight



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Auto or Homeowners Claim?

Your insured hired a “jack of all trades” to do some small repair work around his house. Needing some additional supplies, he drives to the local lumberyard in his own vehicle. When he returned to your insured’s residence, he lost control of his car and hit the next-door neighbor killing her. The repairman’s auto limits were very low, so the family of the deceased sued your insured. Both auto and homeowner carriers denied coverage? Can you find coverage for your insured?

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Auto or Homeowners Claim?



What about the homeowners policy – 1991 edition vs. 2000 vs. 2011 vs. 2022



Auto liability

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Hot Tub Loss as Coverage C or Coverage B

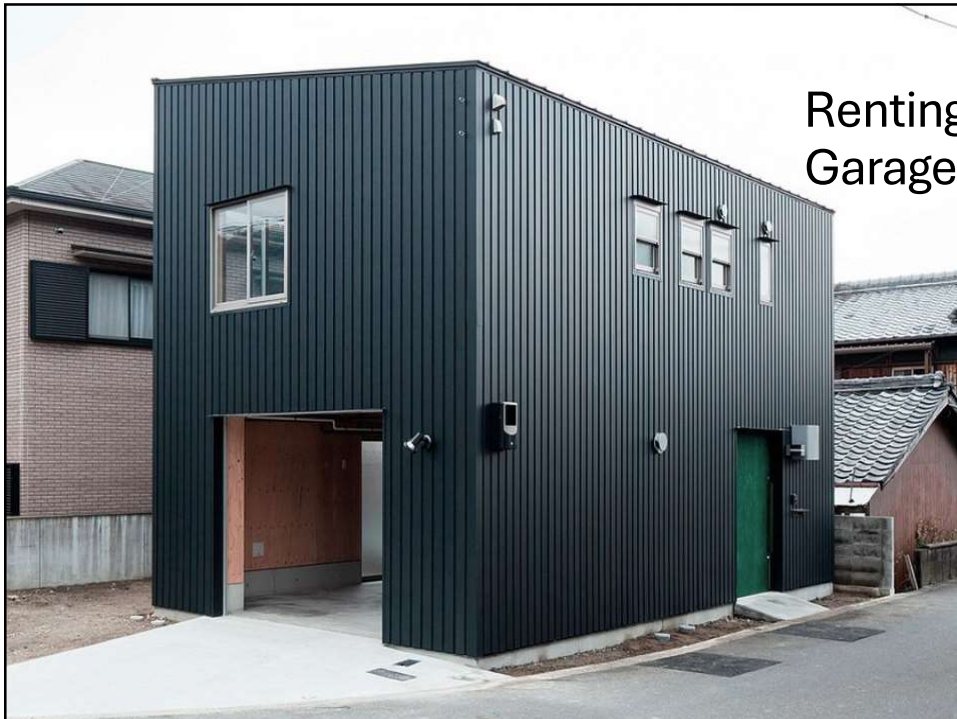
- Coverage B - Other Structures
- Coverage C – Personal Property
- Swimming pool?
- Freezing exclusion?



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Renting Your Garage

- Your insured has an extra detached garage on his property and a neighbor has asked about renting it for his antique car.



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Renting Your Garage

- Business or not
- Does this fall within the exceptions
- What about renting your home



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Renting Your Home

- Can you rent out your home?
- Business
 - Airbnb, vrbo, etc.
- Theft
- Liability
- Endorsements



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“Business” Definition

- Multi-part definition
 - A trade, profession or occupation engaged in on a full-time, part-time or occasional basis;
 - The leasing of the mineral rights of an “insured location”;
 - “Home-sharing host activities” (airbnb, VRBO)
- If the first three parts of the definition don’t apply, the final part (d.) States that **ANY** other activity engaged in for money or other compensation **IS** a “business” unless it is...

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“Business Definition”

ANY other activity engaged in for money or other compensation **IS** a “business” unless it is...

- Activities from which \$5,000 or less was received in the 12 months **BEFORE** the beginning of the policy period
- Volunteer activities if no money was received other than expenses
- Home daycare if there is no compensation (mutual exchange of services is okay)
- Home daycare to a relative (compensation okay)



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Personal Property Not Covered

- Personal Property in space held for rental or rented to a “home-sharing occupant” or other rented space
- Additional coverage (#9) gives back \$3,000 but no coverage for THEFT or for property related to home-sharing
- Personal property used for “home-sharing host activities



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Home-Sharing

- New endorsements
 - Home-sharing host activities amendatory endorsement – HO 06 53 02 17
 - New definitions
 - Revised definition of “business”
 - Amendments addressing certain exposures commonly associated with...
 - Broadened home-sharing host activities coverage endorsement HO 06 63 02 17
 - Restores many of the revisions
 - Provides certain coverage enhancements



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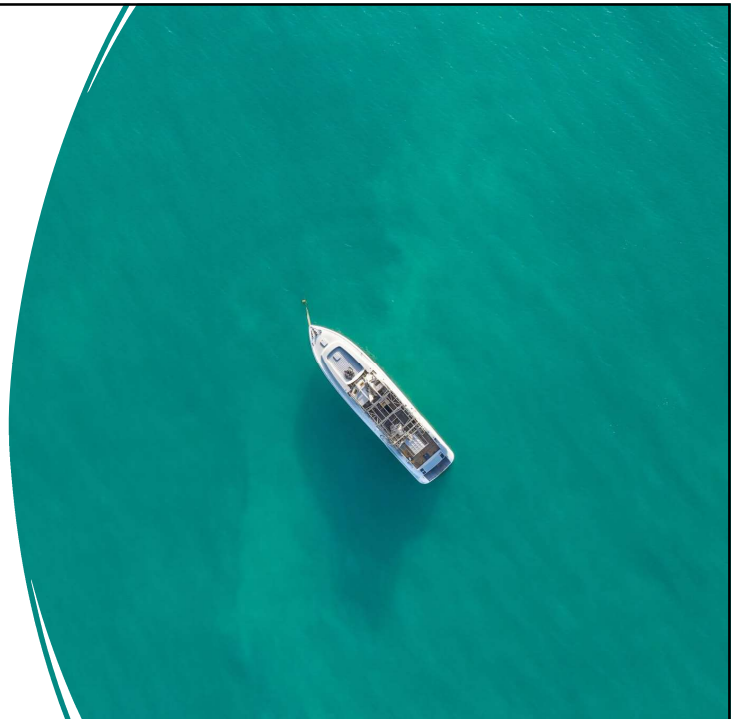
What Else Are Insureds Renting Out? Swimply!



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Insured? Watercraft?

Your insured has an HO3. He owns a boat with a 250HP inboard motor. His neighbor borrowed the boat for a day of fun on the water and accidentally ran over his wife, who was seriously injured. The neighbor is now claiming coverage for his wife's injury under your insured's policy as an insured.



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Watercraft Liability Coverage for Homeowner's Friend

Isn't the friend a "insured" for watercraft?



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Watercraft Limitations

	OUTBOARD	INBOARD OR I/O	SAILING VESSEL
OWNED	Covered if 25 HP or less	Not Covered	Covered if 26 feet or less
BORROWED	Covered No HP limit	Covered No HP limit	Covered No size limit
RENTED	Covered No HP limit	Covered If 50 HP or less	Covered If 26 feet or less

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Watercraft Limitations – New 2022

	POWERED BY ENGINES OR MOTORS (INCLUDING WATER JET PUMP)	SAILING VESSEL
OWNED	Covered If 25 HP or less	Covered If less than 26 feet
BORROWED	Covered No HP limit	Covered No size limit
RENTED	Covered No HP limit	Covered No size limit

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Condo Owner

- Your client owns a condominium and is insured on a standard HO6. Recently, his hot water heater leaked and damaged his unit and the unit below him. His carrier is paying for his damages but is denying any coverage for the downstairs unit, citing “no negligence” on the part of the insured.



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Damage to Property of Others by Leaking Water Heater

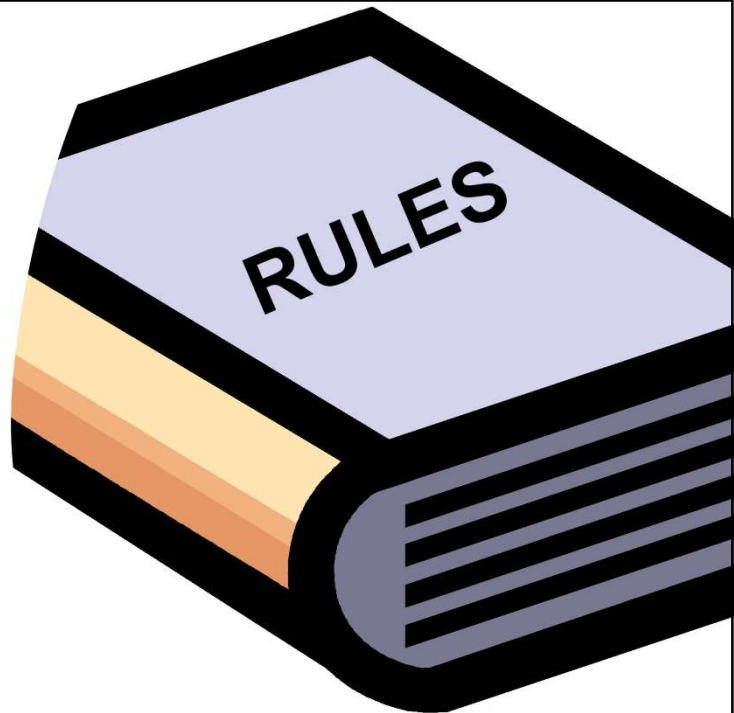
- Damaged his unit and the unit below him
- Good will coverage???
- Other issues with the HO6?



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Ordinance or Law and Building Code Recommendations

- You have an insured that had their roof damaged by wind and has asked for an additional \$500.00 to cover the cost of an “ice shield”. A new recommendation.
- Recommendation vs. Ordinance or Law



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Green Upgrades Coverage

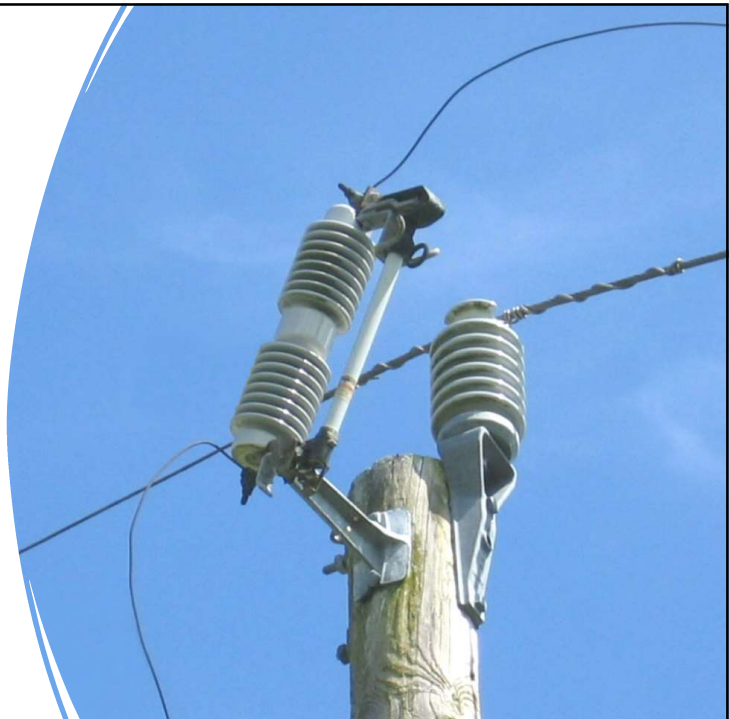
- **HO 06 31 01 14 – Green Upgrades Coverage – provides green upgrades to property coverage to percentage chosen subject to a maximum amount of dollars and green upgrades related expense coverage up to amount chosen. May include vegetated roof if selected.**



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Artificially Generated Electrical Current Peril

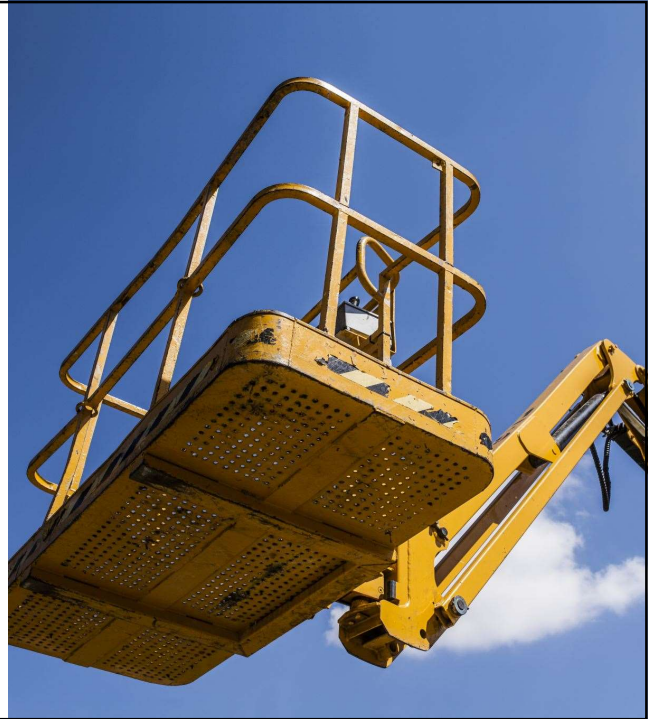
- You have an insured that has asked about the sudden and accidental damage from artificially generated electrical current peril in the HO policy.
- Just what would it covered?



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Mechanical Breakdown Coverage

- HO 06 33 01 14 – Mechanical breakdown coverage – provides coverage for direct loss to a “household appliance” caused by and confined to a “mechanical breakdown” subject to...



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Trees, Lawns and Shrubs

- You insured has suffered a fire loss and consequently there is much damage to his landscaping. The estimate is for \$22,500.
- Cause of loss
- Limitations on trees, plants and shrubs



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Interior Damage

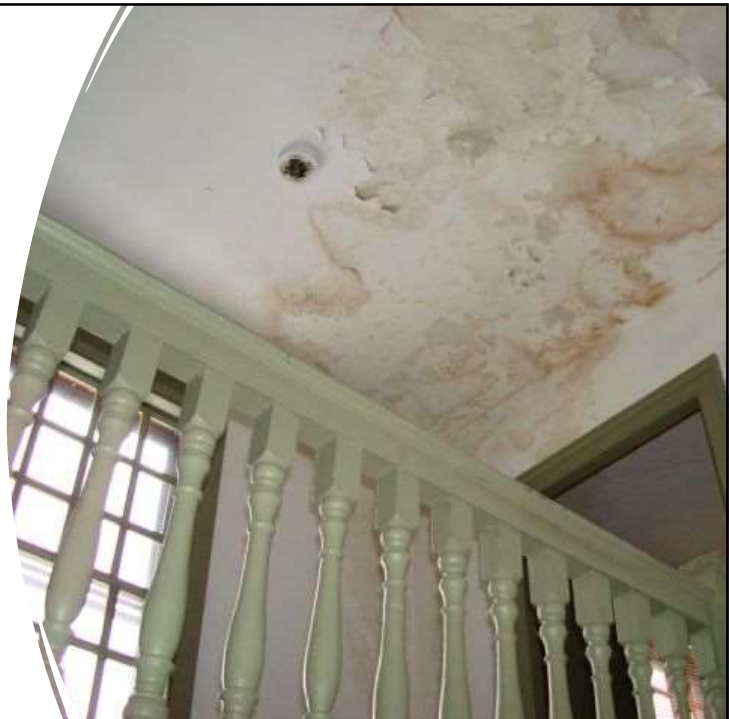
Your insured has an HO3. A few months ago, following a downpour, he noticed some wet patches on the ceiling and high up on the walls. When he called in a roofer, the roofer said that the roof had been damaged in a severe hailstorm that occurred about a year ago. You turned the claim into the carrier, who denied the loss, saying too much time had elapsed between the hailstorm and the resulting water damage.



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Damage to Roof – Subsequent Interior Damage Covered

- Timely manner comes into play
- What exclusions
- Verifiable hailstorm



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