



# PROPOSAL DEFINITIONS

## Primary Coverages

**Dwelling Coverage** – The coverage for the permanent structure – both the home and, often, including the attached components like the pool, covered porch, etc... In the case of condo unit-owner coverage, this portion of coverage is typically for the interior improvements and betterments like permanent flooring, cabinets, countertops, etc...

**Other Structures** – Permanent structures that are set apart from the home by clear space – including those structures only connected by a fence or power line, for example. Driveways, sidewalks or landscape walls could also fall into this category.

**Personal Property** – Removable items such as furniture, clothing, non-built-in appliances, dishes, clothing, electronics, etc...

**Loss of Use** – Coverage available for reimbursement of costs associated with your home or property being unfit to live in as a result of a covered peril. For example, a fire makes the home unfit to live in and you must rent another home and/or purchase temporary household items to maintain your lifestyle.

**Personal Liability** – Coverage for injury to others or their property which you may be responsible for because of your or your resident relatives' actions.

**Medical Payments** – Coverage which may be available for medical injury to others without necessarily admitting fault.

## Deductibles

**AOP (All Other Peril):** This is the deductible that applies to covered losses that are not named hurricanes (for most home insurance companies).

**Hurricane Deductible** – When shown as a %, the deductible is often a % of the dwelling coverage limit. So, a home with \$750,000 dwelling coverage and a 2% hurricane deductible would result in a \$15,000 hurricane deductible. Many companies offer options for reducing the hurricane deductible.

Some companies, particularly for condo unit owner coverage, calculate the hurricane deductible % on personal property coverage limit or a combination of dwelling and personal property limits.

## Optional Coverage

Described below are some common optional coverages. Not all optional coverages are listed here. Please see your actual proposal for which of these are included as presented in your specific scenario. Further, we are happy to discuss the addition of any optional coverages you wish to add.

**Replacement Cost For Personal Property** – This optional coverage provides replacement cost loss settlement for your personal property, up to the selected coverage limit, without applying depreciation.

**Screened Enclosure Coverage** – Many companies require selection of a specific sub-limit of screened enclosure coverage for hurricane damage. The limit of coverage shown is specifically for the screened enclosure/pool cage if damaged by hurricane. Not all companies separate this coverage.

**Water Back Up** – This is a coverage that can provide a limited amount of protection (usually \$5000) if water were to back up into your home through a drain.

**Extended Coverage A, Dwelling** – This coverage can give you an extra amount of dwelling coverage should the home be a total covered loss and require more than the dwelling coverage limit to be rebuilt.

**Ordinance or Law Coverage** – This is a coverage that helps keep up with building code changes. If your home requires enhancements, for example, after a loss due to building code changes, that portion of the repair would fall into this category. This can be relevant to new homes as well if building code requires the undamaged portion of a roof, for example, to be replaced.

**Personal Injury** – This coverage extends the personal liability coverage in the policy to include offenses like libel or slander.

**Cyber** – Some companies offer cyber coverage to help protect against hacking or unauthorized access to personal information/systems.

**ID Theft** – Similar to above, some companies offer some protection/reimbursement for the impact of having an insured's identity stolen.

**Animal/Dog Liability** – Many FL home insurance policies limit or exclude animal liability from the base policy. Depending on the breed of dog or type of animal, liability coverage may be available with a sub-limit of coverage or up to the personal liability limits. It's important to note not all dog liability claims, for example, are from aggressive behavior. Tripping over a dog or a dog jumping on someone could trigger a dog liability event and thus the need for this coverage.

**Rental to Others** – If your home will ever be rented to others, it's important to have appropriate coverage. For condo units, an optional coverage can typically be added to the policy. For single family homes, very often a different policy type is needed altogether. Please make sure you communicate to us if you intend to rent the property to others.

## Special Limitations for certain type of personal property

Jewelry is often limited to approx. \$1500 for loss by theft. Firearms also typically have a limitation for loss by theft. These are just two examples of common specific types of personal property coverage limitations in the average home insurance policy. We recommend scheduling these types of items so they are properly protected.

## Flood

Flood is usually excluded from home insurance policies. There are various options for flood protection – including the National Flood Insurance Program and from private flood insurers. Flood is generally understood as rising or tidal surface water coming into the home from the outside – subject to specific definitions in the policy. Even if there is a simultaneous hurricane, if the damage results from an event meeting the definition of flood, flood insurance would be needed in order to have the loss covered.

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**The above is intended to be a reference summary of major coverage limits and optional coverages in many home or condo insurance policies. Your actual policy will be the ultimate authority on your specific coverage.**