

## Master Policy Summary

Master Policy is a “group policy” written in the name of Property Managers, Owners, Distribution Partners, Agencies, rather than the resident like an HO4 policy

Master Policies provide liability coverage for property damage to the named insureds buildings, units, and homes up to the specified coverage limit (\$100k) and also provide coverage for damage to resident belongings up to \$10k. Coverage for personal liability and dog bite liability is also included in the policy.

### Definitions:

In defining the scope of coverage, insurance policies rely on terms and phrases that have very special and often very specific meanings. Please be sure to review the definitions section closely in order to get a clear understanding of the policy terms.

### Liability Coverages:

Property Damage Liability to Landlord’s Property. The liability section of the master policy details the coverage provided to the named insured for property damages to the named insured’s covered buildings, units, or homes. Coverage is available up to the specified coverage limit for instances or occurrences where the resident was legally liable and when it relates to a specified named covered peril.

**Standard Liability Coverages:** covered up to \$100k liability limit with \$0 deductible

- Fire
- Smoke
- Explosion
- Water
- Overflow of sewer or sump

**Expanded Liability Coverages:** automatically included in master policy; covered up to liability limit with \$0 deductible

- Collapse
- Falling Objects
- Freezing of Pipes
- Overflow of Appliances

**Additional Liability Coverages:** automatically included in master policy; special sub limits detailed below:

- Loss of Rental Income- covered up to \$1,000/premise and \$10,000/occurrence

- Pet Damage- covered up to \$1,000 per occurrence; \$250 deductible
- Mold Remediation- covered up to \$1,000 per occurrence; no deductible
  - Coverage for mold remediation applies when a covered loss (caused by one of the perils referenced above) results in mold damage. Mold MUST relate to a specific covered loss. This coverage does not apply to mold caused by lack of cleaning, humidity, poor insulation, etc.
- Bed Bug Remediation- covered up to \$500 per occurrence; \$250 deductible
  - Coverage applies when a resident is liable for a bed bug incident. For example, if the home or unit has no previous history of bed bugs and a new tenant moves in and an infestation occurs, coverage would apply.

## **Exclusions**

Exclusions are the cases for which the insurance company does not provide coverage. These are the conditions excluded from the insured event to avoid losses to the company. The master policy will detail out any and all exclusions that may affect the coverage provided. It is important to closely review exclusions as they may revoke coverage on certain items.

### **Common Liability Exclusions**

Easiest way to think about exclusions in the liability coverage is anything that is not related to resident negligence or resident legal liability. Commonly excluded perils (not an exhaustive list, please reference the policy):

- Flood
- Natural causes: lightning, tornadoes, hurricanes, rain, etc
- Intentional damage/vandalism
- Wear and tear
- Equipment breakdown: Ex. ceiling fan short circuits and causes a fire

### **Resident Personal Contents Coverage**

This section of the master policy details coverage provided for any claim by a “tenant” in which their personal contents were damaged via one of the named perils below. All perils are covered up to the \$10k with a \$500 deductible/occurrence. Unlike the property liability coverages, these perils do not require a resident to be negligent or legally liable for coverage to apply. Coverage will apply as long as the loss relates to one of the covered perils below.

- Fire/lightning
- Wind/hail
- Smoke
- Water
- Explosion
- Burglary

### **Common Resident Contents Exclusions:**

- Off premise losses
- Flood
- Theft

### **Additional Living Expense**

If a loss via a covered peril to covered property or the building containing the property makes the "residence premises" not fit to live in, the policy will cover any necessary increase in living expenses incurred by the "tenant" so that the "tenant's" household can maintain its normal standard of living. A coverage limit of \$1k will apply.

Payment will be for the shortest time required to repair or replace the damage or, if the "tenant" permanently relocates, the shortest time required for the "tenant's" household to settle elsewhere.

### **Tenant's Premises Liability**

The Tenant's Premises Liability endorsement provides coverage for the tenant if a claim or suit is brought against them for damages because of "bodily injury" or "property damage" caused by an "occurrence" arising out of the tenant's maintenance or use of the residence premise OR from an animal that is owned or in the care of the tenant (and approved by the landlord). This endorsement provides coverage for the resident for medical payments to others that they are liable for, as well as defense against suits brought against the resident relating to premises liability property damage and bodily injury. Coverage does not apply to incidents that occur off premise.

### **Tenant's Premises Limit of Liability:**

- The policy will pay up to the Tenant's Premises Limit of Liability of \$100k for general liability incidents (slip and falls, injuries on premise, etc). This coverage will apply to suit defense, medical expenses, and other expenses relating to the incident/loss where the tenant is liable

### **Animal Sublimit of Liability:**

- Incidents relating to animals owned or in the care of residents (and approved by the landlord) are covered up to \$25k for suit defense, medical expenses, and other expenses relating to the loss where the tenant is liable
- No breed exclusions. As long as the pet is approved by the landlord to live in the home or unit, coverage will apply.