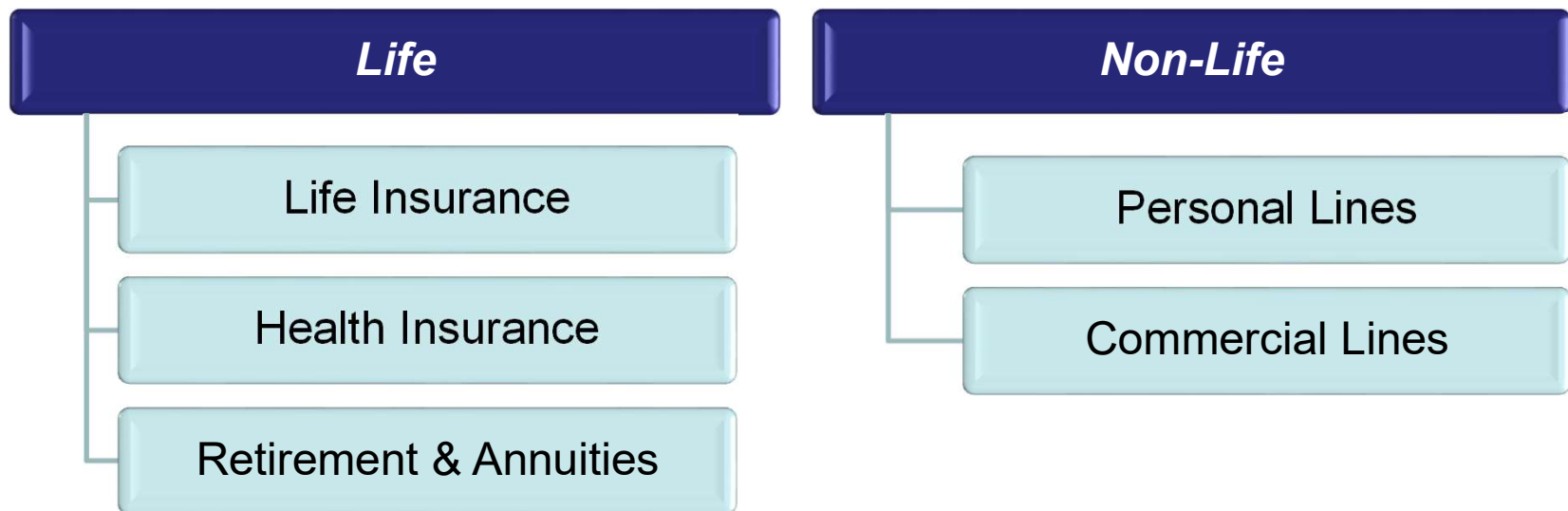






## Insurance @ a glance

Insurance – is a contract for transferring risk from a person, business or organization to an insurance company that agrees, in exchange for a premium, to pay for losses through an accumulation of premium. Types of Insurance –



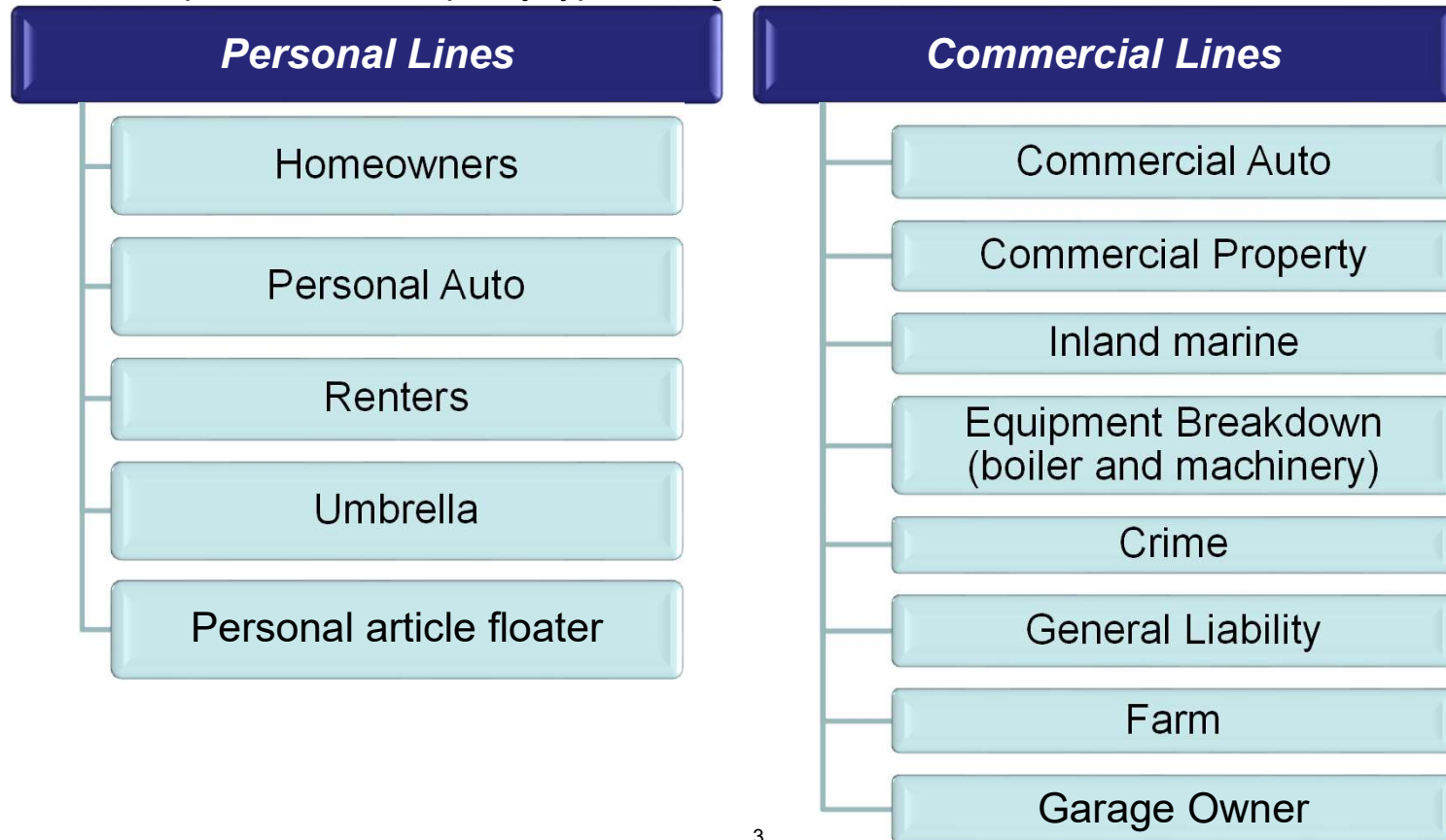


# Non-Life Insurance

Non-Life Insurance, also known as General Insurance or P&C (Property & Casualty) Insurance protects the policy holders against financial loss due to the following:

- Loss or damage to their property and
- Liability loss due to injury / property loss to third party arising out of operation of the insured property

Some of the examples of Non Life policy types are given below:





# Homeowners

Homeowners insurance provides coverage to repair or rebuild your home after events like fire, smoke, theft, vandalism, a falling tree, or damage caused by weather such as lightning, wind, or hail. Most standard homeowners insurance policies also cover furniture, clothing, and other possessions

## Protection under a Homeowners





## Coverage's

### A. Damage to the Interior or Exterior of House

- *In the event of damage due to fire, hurricane, lightning or other covered losses, Insurer would compensate the house which can be repair or rebuilt*
- *Destruction or mutilation due to Earthquake or poor maintenance is generally not covered but can be included as an Endorsement.*
- *Free standing garage, sheds or other structure of the Property require to be covered separately like the main building.*
- *Clothing, furniture, appliances, and most of the other contents of your home are covered if they're destroyed in an insured disaster.*
- *You can even get "off-premises" coverage, so you could file a claim for lost jewelry, say, no matter where in the world you lost it. But there could be a Policy limit like 70% of the insured value.*



## Coverage's

### B. Personal Property 50-70% of Dwelling

- *This coverage protects contents of the insured due to an insured loss. This is usually covered on Renters/Tenant policies*

### C. Other Structures 10% of Dwelling

- *This coverage usually covers Free standing garage, sheds or other structure of the Property require to be covered separately like the main building.*



## Coverage's

### E. Personal Liability for Damage or Injuries – 100 to 500k

- *This liability coverage protects the insured and their family members from lawsuits filed by others. It also includes Pets.*
- *This coverage has a maximum limit and if the insured wants beyond it, they have to take Personal Umbrella policy.*

### D. Additional Living Expenses/Loss of Use 25-30% of Dwelling

- *This additional coverage would reimburse the insured for the rent, hotel room, restaurant meals and other incidental expenses incurred when the insured home is been repaired / rebuilt.*
- *Should be due to Insured loss.*
- *The Coverage would have both daily limit and total limit.*



## Coverage's

### F. Medical Payments

- *This coverage protects injury of the insured due to an insured loss.*

### ART/Antiques

- *This coverage usually covers only up to a certain limit and a separate policy (Valuable Personal Property) needs to be taken when higher coverage limit is expected*





## Coverage's

### There are three levels of Coverages

- **Actual Cost Value (ACV)**

- Covers the cost of the house plus the value of your belongings after deducting [depreciation](#) (i.e., how much the items are currently worth, not how much you paid for them).
- Some policies may contain a [recoverable depreciation clause](#), which allows the owners to claim the value of the depreciation along with the ACV.

- **Replacement Cost**

- Replacement value policies cover the [actual cash value](#) of your home and possessions without the deduction for depreciation, so you would be able to repair or rebuild your home up to the original value

- **Guaranteed (or Extended) Replacement Cost/Value**

- The most comprehensive, this inflation-buffer policy pays for whatever it costs to repair or rebuild your home—even if it's more than your policy limit. Certain insurers offer an extended replacement, meaning it offers more coverage than you purchased, but there is a ceiling; typically, it is 20% to 25% higher than the limit.
- Guaranteed replacement value policies will absorb the increased [replacement costs](#) and provide the homeowner with a cushion if construction prices increase.



## Rating Factors

- History of Past Claims
- Geo Location
- Neighborhood & Crime Rate
- Coverage Options
- Coverage Amount desired
- Condition of Home / Material Used etc.



# Types of Homeowners Insurance Policy

- **HO-1 : Basic Form**
  - This is the most limited in terms of coverage and hence premium would also be less
  - Home and Personal belonging are covered at Actual Cost Value (ACV) by default.
  - Covers the subject matter against 10 named perils like Fire, Lighting, Hurricane etc.
- **HO-2 : Broad Form**
  - More common policies and an overall upgrade to HO-1
  - Covers Dwelling (Home) on Replacement Cost basis and Personal Property on Actual Cost Basis.
  - Apart from 10 HO-1 perils, covers 6 additional perils like Weight of Ice / Snow, Accidental discharge of water, Volcanic
- **HO-3 : Special Form**
  - Most Common type of Policy in the market.
  - This is an All-Risk or Open-Perils Coverage i.e. covers everything except the listed exclusions such as Ordinance of Law, War, Power failure, Intentional Loss etc. for Dwelling and Named perils for Personal Property.



# Types of Homeowners Insurance Policy

- **HO-4 : Contents Broad Form**
  - Popularly known as Renters Insurance as it is specially for tenants of rental properties.
  - Covers Personal Property within the home and anywhere in the world.
  - Covers against 16 named perils of HO-1 and HO-2 and usually covered on Replacement basis.
  - Like HO-3, also comes with Liability and Additional Living Expenses coverage.
- **HO-5 : Comprehensive Form**
  - Most Complete and well-rounded coverage for Single-family Homes
  - Similar to HO-3 but with some differences like
    - Both Dwelling & Personal Property are in Replacement Cost basis
    - All Risk coverage for both Dwelling and Personal Property
    - Higher limits
- **HO-6 : Unit-owners Form**
  - Also known as Condo Insurance and it is for people who live in condominium or co-op unit.
  - Amount of Dwelling coverage depends on what is already covered under the Condo Association's HOA insurance or Master Policy.
  - Covers Dwelling (to cover cost of upgrade or renovation of the Unit), Personal Property, Medical Exp and loss assessment coverage.



# Types of Homeowners Insurance Policy

- **HO-7 : Mobile Home Form**
  - This policy is designed for Mobile, manufactured, and other factory-built homes that are not eligible for coverage in other forms.
  - Different types of Mobile Homes like Trailers, Single-wide, Double-wide mobile homes etc.
- **HO-8 : Modified Coverage Form**
  - Designed for older or historic homes with ornate features and other characters that are difficult to replace in the event of loss.
  - Similar to HO-1, covers against 10 names perils and pays Actual Cash Value and not replacement cost.
  - Some carriers offer Property replacement alone on Functional Replacement basis.



## Endorsements

The coverage of the standard policy can be added/ deleted / modified by endorsements to meet policyholder's specific needs. Following are common endorsements relevant to any Homeowners Policy:

- **Earthquake insurance**
- **Sewer backup/water backup coverage**
- **Personal property replacement cost coverage**
- **Service line coverage**
- **Identity theft coverage**
- **New home construction endorsement**



## **Q & A**



***Thanks***