

The "Guide to Homeowners Insurance" by the Greater Baltimore Community Housing Resource Board, Inc. provides comprehensive insights into homeowners insurance policies, including various types, coverage options, and purchasing advice. The standard homeowner insurance policies include HO-1 (Basic), HO-2 (Broad), HO-3 (All-Risk), HO-4 (Renters), HO-5 (Comprehensive), HO-6 (Condominium), and HO-8 (Modified Coverage), with the HO-3 policy being the most prevalent, offering "all risk" coverage for homes while excluding certain perils such as floods and earthquakes. Basic coverage typically protects against perils like fire, theft, and vandalism, with specific exclusions for each policy type. Deductibles generally start at \$250, with options for higher amounts to lower premiums, and some policies may have separate deductibles for wind or storm damage. Unique considerations apply to mobile home policies, which may have coverage gaps during transit, and flood insurance must be purchased separately, often through the National Flood Insurance Program (NFIP). The guide outlines four main types of coverage: Property Damage, Liability, Medical Payments, and Additional Living Expenses, each addressing different aspects of potential loss or damage.

The policy emphasizes coverage for temporary housing costs during home repairs, which are only covered for expenses exceeding normal living costs and are subject to a monetary limit. It also highlights the necessity of special vacant home insurance if a property becomes unoccupied, as standard homeowners insurance may cease coverage after 30 days of vacancy, potentially leading to denied claims. Homeowners can purchase an endorsement to their existing policy or a separate vacant home insurance policy, with the latter often being more expensive and offering limited coverage. Coverage for out-buildings, personal property, trees, shrubs, and plants, as well as debris removal and mold coverage, varies by insurer. The HO-3 policy is recommended, covering major perils except for floods, earthquakes, and nuclear accidents, with a suggestion to insure at 100% of the home's replacement cost. Personal property coverage typically ranges from 50% to 75% of the home's value, and additional options like inflation guard and ordinance-and-law coverage are advised. Liability coverage is crucial, and homeowners are encouraged to consider umbrella liability

for extra protection.

Factors influencing insurance pricing include the type of company, construction type, home age, local fire protection, prior claims, coverage amount, deductible amount, and available discounts. Homeowners should accurately calculate reconstruction costs using specialized calculators rather than relying on purchase prices. To reduce insurance costs, homeowners are advised to protect their property, conduct thorough research, and compare prices among insurers, ensuring they are not obligated to purchase insurance from a lender-recommended company. The document stresses the importance of comparing quotes from multiple insurers to secure the best price and service, and increasing the deductible can lower premiums. Policyholders are encouraged to inquire about available discounts, such as bundling home and auto insurance, and to avoid filing claims for minor losses to prevent increased premiums in the future.

When purchasing a policy, it is critical to read the Declaration Page to ensure the requested coverages are included. Policyholders should understand the specifics of what is covered and consider additional coverages for valuable items that may not be adequately insured under standard policies. The necessity of purchasing separate flood insurance is highlighted, along with the importance of staying informed about any changes to the policy at renewal. Policyholders must answer application questions truthfully, as misrepresentation can lead to policy cancellation or increased premiums. It is also important to obtain a receipt for cash premium payments and to understand the implications of policy limits and coverage options, including liability limits and endorsements for specific risks like mold or building ordinance coverage.

In the event of a loss, immediate written notice to the insurer is required, along with steps to protect the property from further damage. Policyholders should maintain records of all communications and actions taken regarding claims. If issues arise, contacting the insurer or agent is the first step, followed by escalating the matter to the Maryland Insurance Administration (MIA) if necessary. The

MIA serves to protect consumers from unfair practices and can assist in resolving disputes with insurers. The document also outlines a rapid response program for homeowners claims, allowing consumers to address issues without filing a formal complaint, although participation is voluntary and does not affect the right to file a complaint with the MIA. Consumers can file complaints through various means, including in-person, by mail, or online, and if an insurer is believed to have acted in bad faith regarding a claim, special damages may be pursued through a civil lawsuit or an administrative complaint with the MIA.

The document addresses potential discrimination in insurance applications, indicating that if an application is denied based on race, ethnicity, gender, or location, it may constitute illegal discrimination. Consumers are encouraged to contact the Maryland Commission on Human Relations (MCHR) for assistance, as the MCHR can investigate complaints and enforce remedies, including financial penalties for discriminatory practices. It also details common exclusions in homeowners policies, such as damage from floods, earth movement, and certain personal property like vehicles and business-related items. The importance of maintaining an inventory of personal property for claims purposes is emphasized, and coverage for specific items, such as watercraft or sound equipment, may require additional policies or endorsements. Conditions under which an insurance policy can be canceled include non-payment of premiums, fraud, and significant changes to the insured property. The document concludes by providing contact information for the MIA and various resources for further assistance and information on homeowners insurance.