

The Homeowner's Guide 101 provides crucial insights into homeowner's insurance, particularly relevant to Florida's market conditions. While homeowner's insurance is not legally mandated in Florida, it is typically sought to safeguard the substantial investment in a home, especially for mortgaged properties where lenders often require coverage, including flood insurance if applicable. The guide outlines various residential property policies, such as those for single-family homes, condominiums, and rental properties, each designed to cover specific perils. Key coverages include Coverage A for the dwelling, Coverage B for other structures, Coverage C for personal property, Coverage D for loss of use (Additional Living Expense), Coverage L for personal liability, and Coverage M for medical payments to others. It is essential for homeowners to understand the limits and exclusions of these coverages, particularly for personal property, which may have specific restrictions on items like cash, jewelry, and electronics.

Additional Living Expense coverage assists with costs incurred when a home is uninhabitable due to damage, covering expenses beyond normal living costs. Personal liability coverage protects against claims for bodily injury or property damage to others, while medical payments cover injuries to guests in the home, regardless of fault. The guide also highlights the impact of inflation on insurance coverage, advising homeowners to ensure their policies reflect current replacement costs rather than relying solely on purchase price or mortgage amounts. Various homeowners' insurance packages are available, including the Special Form (HO-3), which offers comprehensive coverage for all perils except those specifically excluded, and condominium insurance (HO-6), which covers personal property and certain structural features not included in the association's master policy.

The insurance policy further details coverage options and conditions, particularly for dwelling insurance on rental properties, distinguishing between DP-1, which offers minimal peril coverage, and DP-3, which provides broader coverage akin to HO-3 policies. Coverage availability may be limited during tropical storms or hurricane warnings, underscoring the importance of securing insurance before hurricane season. The cost of insurance is influenced by construction materials,

with stronger materials potentially leading to lower premiums. Homeowners' insurance protects against losses from perils like fire and theft, while home warranty plans cover unexpected repairs but may have numerous exclusions and limitations.

For those facing challenges in obtaining coverage, options include the Florida Market Assistance Plan (FMAP) and Citizens Property Insurance Corporation, which help consumers secure insurance from authorized insurers. Surplus lines companies offer coverage for risks rejected by admitted insurers, but these policies are unregulated and lack the protections of admitted policies. The policy also outlines the lender's role in claims, requiring property insurance to protect their financial interest, and details procedures for force-placed insurance if homeowners fail to maintain coverage.

Builder's Risk insurance is specified for homes under construction, covering various aspects of the building process. The policy includes conditions for termination, such as a 90-day review period for underwriting, with different notice requirements for cancellation based on the reason. Homeowners should be aware of special limits on personal property coverage and the differences between Actual Cash Value and Replacement Cost coverage, which affect claim settlements. Windstorm and flood coverage are addressed, noting that standard homeowners' policies typically exclude flood damage, necessitating separate flood insurance, which can be purchased through the same insurer as the homeowners' policy. A 30-day waiting period usually applies before a flood policy becomes effective unless purchased simultaneously with a home purchase or refinance.

Regarding sinkhole coverage, insurers are not required to include it in homeowners' policies and may require inspections or deny coverage based on proximity to confirmed sinkhole activity. Structural damage must be present for sinkhole coverage to apply, as defined by Florida law. Catastrophic ground cover collapse (CGCC) must be covered, defined by specific criteria including visible ground depression and structural damage leading to condemnation. Ordinance or law coverage is not automatically included; it covers additional costs incurred due to changes in building

codes after damage occurs. Mold coverage is typically included for damage resulting from covered perils, but limits often apply, commonly around \$10,000, with options for higher limits available for an additional premium.

The policy declarations page provides essential information, including the insurer's contact details, insured names, mortgage information, policy number, effective dates, coverage limits, and premiums. Coverage encompasses dwelling, other structures, personal property, and liability, with specific limits and deductibles outlined. Various homeowners insurance types (HO-3, HO-5, HO-6, etc.) offer different levels of coverage, with HO-3 covering most risks except those specifically excluded, and HO-5 providing the most comprehensive protection. Overall, the guide encourages prospective homeowners to work with independent insurance agents to navigate the complexities of the insurance market, ensuring they are well-informed about their options and adequately covered for their needs.