

# HOA Home Insurance Policy

The HOA Home Insurance Policy is the most basic insurance policy available to homeowners. Most homeowners that purchase HOA insurance are insuring for catastrophic losses only. The HO1 home insurance policy only protects the home and contents for the most common perils that occur.

## The HOA Home Insurance Policy is a Named Perils Policy

The HOA insurance policy is a named perils home insurance policy. Named perils policies specifically list the perils that your home and personal property are covered for. If something happens to your home and belongings that is not on the list of covered perils, you do not have coverage under the HOA home insurance policy.

## Perils Insured Against with the HOA Home Insurance Policy

The 10 perils the HOA Home Insurance Policy will protect your home and belongings from are:

1. Fire or Lightning
2. Windstorm or Hail
3. Explosion
4. Riot or Civil Commotion
5. Aircraft
6. Vehicles(unless caused by the insured)
7. Smoke
8. Vandalism or Malicious Mischief
9. Theft (limit of liability on HO1 is usually \$1,000)
10. Volcanic Eruption

## HOA Home Insurance is Actual Cash Value Insurance

The HOA home insurance policy is a very basic policy. Unless endorsed by an agent, the HOA is an Actual Cash Value policy. This

means the likelihood is very high that your insurance company will not cover the entire portion of your loss. HOA home insurance policies can be endorsed to include replacement cost coverage, but it's important to make sure you have the coverage that is right for you.

## **Important Perils the HOA Home Insurance Policy Does Not Cover**

Although the HOA home insurance policy will protect you from the most common perils, there are a few common perils that are not included in the HOA policy. The most costly and most common perils not covered are:

1. *Water Damage* - no water damage of any any kind is typically included in a basic HOA home insurance policy. Water coverage may be endorsed onto the policy for additional premium.
2. *Falling Objects* - no coverage is provided for objects falling on your home and contents, unless you can prove the objects fell on your home as a result of one of the ten perils listed above.

## **Similar Home Insurance Policies**

The HOA insurance policy is very similar to two other home insurance policies you may run across: the HO1 and the HO8.

HO1: The HO1 is nearly identical to the HOA insurance policy. It is a named perils policy that only protects the home and belongings from 10 specific perils. Unlike the HOA, however, the HO1 is normally a replacement cost policy.

HO8: The HO8 is also nearly identical to the HO1 home insurance policy. It is a named perils policy that only protects the home and contents from 10 specific perils. The HO8 is not a replacement cost policy, but insures the home for market value. This policy is most commonly used for very old homes.