

HO3 Home Insurance Policy

The HO3 Home Insurance Policy is the most common home insurance policy in the United States. It provides excellent coverage for your home and good coverage for your personal property.

The HO3 Insurance Policy is a Hybrid Policy

The HO3 insurance policy is a hybrid of an open perils policy and a named perils policy. With the HO3, your *home* is covered on an open perils basis and your *contents* (personal property) are covered on a named perils basis. An open perils policy does not specifically list the perils your home insurance covers; rather, it lists the perils your home insurance does NOT cover. If the damage to your home is not caused by something on the exclusion list, then you have coverage. A named perils policy specifically lists the perils for which your personal property is covered. If something happens to your belongings that is not on the list of covered perils, you do not have coverage.

Exclusion List for Your Home

The only perils that are excluded on your home are:

1. Earth Movement (earthquake coverage can be endorsed on)
2. Ordinance or Law (some coverage may be provided in your policy)
3. Water Damage (Sudden & Accidental Water Damage is automatically included; others can be endorsed onto the policy)
4. Power Failure
5. Neglect
6. War
7. Nuclear Hazard
8. Intentional Loss
9. Government Action
10. Collapse (some coverage may be provided in your policy)

11. Theft to a Dwelling Under Construction
12. Vandalism or Malicious Mischief (only if vacant more than 60 days)
13. Mold, Fungus, or Wet Rot (some coverage may be provided in your policy)
14. Wear & Tear, Deterioration
15. Mechanical Breakdown
16. Smog, Rust & Corrosion
17. Smoke from Agricultural Smudging & Industrial Operations
18. Discharge, Dispersal, Seepage of Pollutants
19. Settling, Shrinking, Bulging, or Expanding
20. Birds, Vermin, Rodents, Insects
21. Animals Owned by Insured

Perils Insured Against for Your Belongings

The 16 perils that your belongings are protected from are:

1. Fire or Lightning
2. Windstorm or Hail
3. Explosion
4. Riot or Civil Commotion
5. Aircraft
6. Vehicles
7. Smoke
8. Vandalism or Malicious Mischief
9. Theft
10. Volcanic Eruption
11. Falling Objects
12. Weight of Ice, Snow, or Sleet
13. Accidental Discharge or Overflow of Water or Stream
14. Sudden & Accidental Tearing Apart, Cracking, Burning, or Bulging
15. Freezing
16. Sudden & Accidental Damage from Artificially Generated Electric Current

Where The HO3 Insurance Policy May Lack in Coverage

Although the HO3 home insurance policy is the most common protection found throughout the United States, it isn't the best possible policy money can buy. There are two main reasons for this:

1. *Water Damage* - This policy does have Sudden & Accidental water damage, but it omits any water damage relating to water backup, foundation, or slow leaks. Most of these, however, can be endorsed on the policy for an additional premium.
2. *Open Perils on Contents* - this policy does cover your home on an open perils basis, but only covers your contents for the 16 perils listed above. The HO5 policy covers your home and belongings for open perils.

Similar Home Insurance Policies

The HO3 insurance policy is very similar to one other home insurance policy you may have run across: the HOB

HOB: The HOB is nearly identical to the HO3 insurance policy. It is open perils coverage on the home and named perils coverage on the personal property. Depending on where it is purchased, the HOB may provide more water damage protections.