

## Homeowner Insurance – Potential Coverage Problem Areas

The following is a list of some of the problem areas that may impact Homeowner Insurance. You should check with your agent to see how these areas impact your coverage.

**Underground Oil Tanks** (These are a major concern and many companies will not write the risk at all).

- When was the tank installed?
- Is there a liner? What kind?
- When the tank was last inspected?

**Above Ground Oil Tanks**

- Is the tank under a roof overhang? Most times it needs to be protected on a slab.

**Trampolines**

- These are a high liability risk and many companies will not write coverage until it is removed.

**Dogs** (Almost every company has a list of restricted breeds)

- What breed? including a mix
- Age of dog
- Obedience training and nature of the dog (past history of aggressive behavior?)
- There is pending NH legislature to try and address this area of coverage and companies abilities to deny based on breed of dog.

**Older Homes**

- Need year and type of updates (roof, heating, electrical & plumbing systems).

**Island Homes/Isolated properties** (This is generally any risk greater than 5 miles from a fire station)

- Fewer and fewer companies are writing these risks. In our area there are a large number of properties that fit this category.
- How many miles from fire station?
- Visible from neighbors?
- Value? (High value is a huge concern and may take several companies to cover the exposure).

**Antique Homes**

- Because insurance contracts are based on “like kind and quality” replication of existing construction is a concern. Some companies such as Chubb specialize in these risks.

**High Value Homes** (Generally dwelling value over 700,000)

- Fire and Burglary systems (i.e. central station)?
- Caretaker?
- On fire hydrants? (If it is not on hydrants or hydrants with enough flow capacity for the size of the home there needs to be a year round accessible water source.) This is a MAJOR concern. With the size of many of the lake front homes there is insufficient water supply from hydrants and fire department tanker trucks to put out a fire. Most if not all companies will not take this risk until the client installs an adequate system either from the lake as a dry hydrant or a underground cistern that water could be pulled from.

**Flood Insurance-** The bank will need to provide a “Flood Determination” form to the buyer. Full premium payment and a signed application must be mailed to the company no later than 48 hours prior to the closing date.

**Rental Properties-** Generally if it is 4-6 weeks of rental it can remain on a homeowner policy. If it is a true rental property then it needs to be written as a dwelling fire or as a business policy.

- Need length of time property is rented? Through an agency?
- If it is a multi family, will the owner be living there?

**Farm Properties-** Generally keeping animals for own use is acceptable but should review to make sure.

- Horse “farms” require special handling.
- Riding schools or renting of barns also requires special handling.

**Business Use-** Some incidental business use out of your home is acceptable but should be reviewed.

- Many classes of business use could void coverage and requires writing commercially. Including renting of garages or barns for someone to store items or run a business from.