



Home Policy Covered Perils

Definition of Covered or Named Peril: Peril = Covered Loss.

Named Perils: Insurance contract under which covered perils are listed. Benefits for a covered loss are paid to the *policyowner*. If an unlisted peril strikes, no benefits are paid. For example, under the *standard fire policy*, fire is a particular listed peril. If an insured's home burns, it will be indemnified.

It is important to know what your Home Policy covers when a loss occurs.

Not all home policies are the same. However here are some covered and additional covered perils that are typically covered:

- fire or lightning
- windstorm or hail
- explosion
- aircraft
- vehicles
- riot or civil commotion
- smoke
- theft
- vandalism/malicious mischief
- glass breakage
- volcanic eruption
- falling objects
- weight of ice, snow or sleet
- freezing of plumbing
- accidental plumbing discharge
- rupture of steam or hot water heating system, air conditioning systems, or water heaters
- damage from artificially generated electricity.



What is the difference between an All Risk and a Named Peril Insurance Policy?

Homeowners have many options to choose from when obtaining an Insurance Policy. The most basic coverage of all would be a Fire policy and the most inclusive is the All Risk. The entire spectrum in between is filled in by various insurance companies who over the years have added and subtracted various possible events that could result in a loss. In recent years mold and water have shot up to the top of the list of concerns for insurers in the United States. Many companies specifically exclude or limit mold/water losses on their policies. Some companies have even backed out of writing new Home Policies in entire states, (including California) due to repeat catastrophic exposure.

What is a Named Perils Insurance Policy?

A Named Perils Insurance Policy covers losses or "perils" that occur that are specifically listed on the Insurance Policy. Commonly covered perils: Wind, Hail, Fire or Lightning. If you are buying a Named Perils Insurance Policy to protect your Home/property, you need to make certain that potential claims or events that may be a threat to your location are covered. Also make certain that the maintenance condition of the home is suitable for the policy so that a claim will not be denied if conditions of the home are determined to be non-compliant. An example of this could be a home that is in a rural area of brush or trees and the vegetation is not cleared to a minimum safe distance required by the company insuring the property. If the insurance company has the requirement that there be a 100 foot radius free of brush around the home and it burns because the requirement was not followed, a claim might be denied.

What is an All Risk Insurance Policy?

An All Risk Insurance Policy covers losses or "perils" that occur unless specifically excluded on the insurance policy. The big difference on this policy is that this policy will insure any loss unless the insurance company says it is not covered. Admittedly, there are not too many things that could occur that have not already happened to someone else before, so many perils that the insurance company does not want to insure against will be excluded by a classification. Examples of this are Flood and Earthquake.

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