



RENTAL PROPERTY



Protection for landlords

American Modern offers two options to protect rental property – a comprehensive program with replacement cost coverage suited for investment-grade property, and a more flexible program that accepts a broader range of homes.

Option 1 – comprehensive coverage

DP-3 coverage, sometimes referred to as “special form,” approximates what is offered by a homeowners (HO-3) policy. Liability protection is optional.

- Homes up to 80 years of age (60 years in some states)
- Roof updated within the past 20 years
- Above average or better condition
- Up to a four-family structure

Comprehensive coverage

Any cause of loss is allowed except those specifically excluded in the policy documents.

Replacement cost settlement

Losses are settled at the replacement cost, up to the policy limit. There is no depreciation deduction.

Option 2 – flexible coverage

The most flexibility in terms of coverage and eligibility is offered by a DP-1 policy, also called a “basic form.” Liability protection and other coverages are optional.

- No age limit on the structure
- Fair or better condition
- Up to a four-family structure

Named peril coverage

The policy covers those causes of loss listed by name in the policy documents (fire, lightning, wind, hail, explosion, and others). It covers the essentials, but not everything.

Actual cash value settlement

Losses are settled for the actual cash value (ACV), which takes depreciation into account. In many states we offer upgrades to full repair cost coverage or replacement cost coverage.

Quick comparison

- The DP-3 program covers a much wider list of causes of loss than the DP-1 program.
- The DP-3 program’s loss settlement valuation is based on the home’s replacement cost. The DP-1 program takes depreciation into account.

These programs are not intended for a residence in lived in part-time and rented out part-time, or for a part-time condominium or apartment.

Tenants should be encouraged to purchase renters insurance to protect personal property and liability exposure.



Rental Property program

<p>Included coverage</p>	<p>Loss of rent – Lost rental income is reimbursed if a covered peril causes sufficient damage that the tenant needs to move out and is no longer paying rent.</p> <p>Additional coverage –</p> <ul style="list-style-type: none"> • reasonable expenses for emergency repairs such as covering a roof after a storm • other structures on the property • debris removal • fire department service charge • vandalism <p>Additional coverage for DP-3 only –</p> <ul style="list-style-type: none"> • collapse • water and mold • improvements and alterations • trees, shrubs, lawn
<p>Optional coverage</p>	<p>Short term rental permission – Rental terms less than three months, which are common in resort areas, can be accepted.</p> <p>Short term vacancy permission – A property between renters or undergoing renovations will be vacant for a few weeks or months. Adding the vacancy permission coverage keeps the property protected without the hassles of rewriting the policy.</p> <p>Premises liability – Add protection for the landlord’s liability if an injury occurs to someone while on the premises. The option does not cover the tenant’s actions.</p> <p>Personal property – Add coverage for items such as furnishings, appliances, linens and the like, owned by the landlord and kept in the rental property.</p> <p>Breakdown protection – Widen the policy’s scope to include the repair or replacement of major appliances, HVAC and electronics due to mechanical or electrical failure.</p> <p>Vandalism – Physical damage or defacement of the home is included with the DP-3 program, but optional for DP-1.</p> <p>Limited burglary – If a forced entry leaves signs of visible damage (for example a broken window or jimmied door) we will cover the theft of personal items or permanently attached items such as a heat pump or even copper piping.</p>
<p>Payment options</p>	<p>EZPay – Pay through automated monthly installments.</p> <p>4-Pay – Pay a quarter up-front with an installment due every 60 days.</p> <p>Full Pay – Pay when coverage begins or on renewal.</p>



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