

Dwelling FAQs



Learn more about our DP-1 and DP-3 programs.

Q: How is the Coverage A limit determined for a home being placed in the DP-1 program?

A: If the applicant has owned the home for a while, the current market value would be used to determine the Coverage A limit. If the home is a recent purchase (12 months or newer), the purchase price serves as the current market value, excluding the value of the land. If improvements have been made, receipts are required to insure the home for a higher value.

Q: Can an agent determine what program to place the home in by looking at pictures of the home?

A: Not necessarily. Sometimes it is clear that the home has roof concerns or excessive peeling paint and is ineligible for the DP-3 product. Conversely, if the home and premises are immaculate, the risk still needs to be underwritten to include consideration of age, occupancy, and home type. Following up with the insured and accurately completing the underwriting questions and the application in modernLINK® will enable the Underwriter to confirm the home's eligibility for a particular program. By answering the questions accurately in the system, any concerns after the policy has been written will be greatly reduced.

Q: If a home was previously insured under a traditional homeowners policy and now is rented, can we use the homeowner's replacement cost value for the coverage limit on the new policy with American Modern?

A: If the home is placed in the DP-3 program, as long as the Coverage A amount is within 20% of the calculated replacement value, the same value may be used. If the home is being placed in the DP-1 program, the home cannot be insured for replacement cost, and instead should be insured to market value.

Q: Does American Modern accept risks with boarded windows and/or doors?

A: American Modern will accept boarded windows and/or doors in the Vacant DP-1 program. However, the boarded windows must be intended to protect the property and the home should be well maintained and otherwise qualify for the program. Dwellings vacant for more than 12 months must be submitted for approval with two photos of the home prior to binding. Vacant Manufactured Homes and Condominiums are eligible for this program. The risk must be in fair condition, exhibit proper maintenance, and the cause of temporary vacancy must be due to one of the following reasons:

- Renovation or remodeling
- Between tenancy or real estate closings
- Dwellings held for sale and on the market

Q: What should the condition of the risk be to qualify for the DP-3 program?

A: Risks must be in above average or better condition and be well maintained. Risks with excessive peeling paint, sagging gutters, overgrown grounds, clutter and debris, and roofs that show signs of lifting, crumbling, rolling, exposed underlayment, or patchwork are not acceptable for the DP-3 product but may be eligible for the DP-1 program.



Q: When can Full Repair Cost coverage be added to a DP-1 policy?

A: Full Repair Cost can be added as long as the other qualifications are met for the DP-1 program. Note, the property must be insured to market value, not replacement cost.

Q: Which settlement option is used for the DP-1 program?

A: Actual Cash Value. Full Repair Cost may also be available for eligible homes.

Q: In which program should I place a rental/landlord vacant home that is in excellent condition but on the market to be sold?

A: These homes can be placed in the DP-3 Rental program with the Vacancy Permission endorsement if the home meets the qualifications for the DP-3 program.

Q: If my customer buys a new rental home that is move-in ready, but vacant, can I place it in the DP-3 program?

A: Yes, if the home is in excellent condition and qualifies for the DP-3 Rental program and will be occupied within 30 days. If it will not be occupied within 30 days, the Vacancy Permission endorsement should be added to the policy.

Q: If a home has both fuses and a breaker box, can it be placed in the DP-3 program?

A: No, homes with fuses are not eligible for the DP-3 program. The home must have circuit breakers in order to qualify.

Have questions? Need help with a modernLINK quote?
We're just a phone call away at 800-543-2644.

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