



Insurance Information Session

October 27, 2023

We will begin shortly.....



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Welcome!

Risk and Vulnerability

Data Type	Brunswick County	North Carolina	US
Drought	16.49	15.44	11.61
Flooding	18.69	10.84	9.13
Freeze	29.22	17.31	15.72
Severe Storm	30.02	21.42	16.99
Tropical Cyclone	24.55	14.91	4.36
Wildfire	28.60	5.36	6.30
Winter Storm	19.83	18.62	13.71
Weather and Climate Combined	25.82	17.61	13.30

Source: NOAA National Centers for Environmental Information



Homeowner Insurance

Points of Interest
Tim Crawley, NCDDOI

Types of Homeowners Forms

- Four Main Forms used in Coastal North Carolina
- Mobile Homes (MH-F, MH-C)
- Dwelling Policies (DP-1, DP-2, DP-3)
- HO-3 Special Form
- HE-7 Homeowners Enhanced Form

Dwelling Policies

- DP-1 (Basic) and DP-2 (Broad) are “Named Perils” policies – they are not comprehensive policies, so understand that even though they may have lower premiums, it may not afford the coverage(s) you need. DP-3 (Special) is an “Open Perils” policy, which covers all types of damages, except what is specifically excluded in the policy.
- Typically used for vacation/seasonal/secondary/rental or older risks.
- No coverage for loss due to “Wind-Driven” rain.
- Consult with your agent for the best coverage to your particular risk.



Homeowners 3 – Special Form (HO-3)

- Make sure you have “Replacement Cost” endorsements on the policy.
- Is a Named Peril policy. If the loss, or portion of the loss, is not covered by one of the “named perils”, the policy contract has language to exclude coverage.
- No coverage for loss due to Flooding.
- No coverage for loss due to “Wind-Driven” rain. Please note, the direct force of wind has to cause an opening in the roof, or a wall, for rain to enter the dwelling to be considered for coverage.
- Coverage for “Mold” is capped at \$5,000, but only if the result of a covered peril.
- Coverage A –Dwelling may be capped at 125% when combined with HO 3220 End.

Important Endorsements to the HO-3 policy

- Windstorm or Hail Percentage Deductible. (HO 03 12)
- Specified Additional Amount of Insurance for Coverage A – Dwelling. (HO 32 20)
- Home-Sharing Host Activities Amendatory End. (HO 32 43)
- Broadened Home-Sharing Host Activities End. (HO 32 53)
- Named Storm Percentage Deductible. (HO 03 63)
- ACV Loss Settlement Windstorm or Hail Losses to Roof Surfacing. (HO 04 93)
- Personal Property Replacement Cost Loss Settlement. (HO 04 90)

Homeowners Enhancement Coverage (HE – 7)

- Covers your Personal Property more broadly – on an “open peril” basis, as opposed to a “named peril” basis on the HO-3.
- Provides a Guaranteed Replacement Cost (i.e. actual cost to replace) the dwelling.
- Higher limits of coverage for money, securities, jewelry/firearms/silverware (by peril of Theft). Higher limits for tree removal (must have struck the dwelling).
- Deductible waiver if loss is over \$50,000.
- Food spoilage up to \$500 with no deductible.



Homeowners 3 – Windstorm and Hail Form (HS 00 03)

- Important to note because of Bald Head Island's location.
- Pg 6, Section I –Perils Insured Against, A. Coverage A-Dwelling and Coverage B-Other Structures...

“We insure against risk of direct physical loss to property described in

Coverages A and B caused by a Peril listed below:

Windstorm or Hail **including Wind or Hail-driven Rain...** this peril includes loss to the inside of a building even if the direct force of wind or hail does not damage the building and cause an opening in a roof or wall. This peril does not include loss caused by any of the following regardless of any other cause or event contributing concurrently or in any sequence to the loss: 1. Wear and Tear, marring, deterioration; 2. Inherent vice, latent defect, mechanical breakdown...”



Golf Carts – Liability only per HO-3 and HE-7

- In the HO-3 policy, refer to pg 17, Section II – Exclusions, A. “**Motor Vehicle Liability**” 2. If Exclusion A.1. does not apply, there is still no coverage for “**motor vehicle liability**”, unless the “motor vehicle” is:

e. a motorized golf cart that is owned by an “insured”, designed to carry up to four persons, not built or modified after manufacture to exceed a speed of 25 mph on level ground and, at the time of an “occurrence”, is within the legal boundaries of: (1) a golfing facility...(2) a private residential community, including its public roads upon which a motorized golf cart can legally travel , which is subject to the authority of a property owners association and contains an “insured’s” residence.

Golf Carts – Physical Damage coverage

- Is the golf cart licensed for road use, and registered with the NC-DMV? Does it have a tag, lights, turn signals? If so, you may need to obtain physical damage coverage (Collision, Comprehensive) on your personal auto policy using the Miscellaneous Type Vehicle Endorsement (NC 03 23).
- Is the golf cart for personal use at the residence premises? Does it not have tags, lights, turn signals? You may need to obtain physical damage coverage (Collision, Comprehensive) on your homeowners policy using the Owned Motorized Golf Cart Physical Loss Coverage Endorsement (HO 05 28).

Low-Speed Vehicles and Modified Utility Vehicles

- Low-Speed vehicles (“LSV”) may be operated only on streets and highways where the posted speed limit is 35 mph or less. GEM (Global Electric Motorcars) is a popular provider of these type vehicles.
- Modified Utility vehicles (“MSV”) may be operated only on streets and highways where the posted speed limit is 55 mph or less; provided , a MUV may not be operated on any street or highway having 4 or more travel lanes unless the posted speed limit is 35 mph or less.
- Consult with your agent to see if coverage is needed on an auto policy or endorsed on your home policy.

Flood Insurance

- Flood insurance is federally regulated by FEMA through the National Flood Insurance Program (“NFIP”). The NC Department of Insurance has no regulatory authority over federal flood policies.
- The Commissioner of Insurance has requested private insurance carriers offer an alternative to the NFIP. Only one company, Incline Casualty, is offering a private flood policy.
- FloodNC.gov is a valuable resource for flood zone mapping of your residence.
- Please consult with your local agent for flood policy assistance.

QUESTIONS?



Online audience:
Click **RAISE HAND** to ask
a question or comment.

You will be prompted to unmute yourself when it is your turn to speak.

Adjournment

Thank you all for attending!

