

## LESSON 1.6 UNDERSTANDING THE DECLARATIONS PAGE AND AGREEMENT

### NOTES GUIDE

The Declarations Page lists the \_\_\_\_\_ of coverage.

Why is accuracy of the information shown on the Declarations Page so important?

ACME INSURANCE COMPANY					
COMPANY INSURANCE STOCK A					
Home Offices 123 BT Drive Suite, 321 Austin, TX 76502			Administrative Offices 34 Northern Drive Chicago, IL 60608 Telephone No. (1) 800-111-1111 US Toll Free (1) 888-333-3333		
HOMEOWNER INSURANCE DECLARATION PAGE (TO REPORT A CLAIM PLEASE CALL 1-800-333-3333)					
<b>INSURED</b> Joe Brown & Janet Brown 3356 Superman Drive Austin, TX 76502			TYPE: New Policy		
<b>ADDITIONAL INSURED</b> n/a			<b>MORTGAGEE:</b> ACME Bank and Mortgage ISAOA/ATIMA 501 Loan Way Houston, TX 77016		
<b>POLICY INFORMATION</b>					
Policy Number: HTX00463 15 29 95A					
Policy Effective Date*: 03/27/2020 12:01 am					
Policy Expiration Date*: 03/27/2021 12:01 am					
*Standard time zone at property location					
<b>PROPERTY LOCATION (Residence Premises)</b>					
Address: 3356 Superman Drive, Austin TX 76502					
Policy Type: Homeowner HO 00 03					
Year Built: 1980					
Square Footage: 2000					
Constructions: Brick Veneer					
<b>Policy Coverage</b>					
			<b>Limits</b>		
	Coverage A – Dwelling		\$250,000		
	Coverage B – Other Structures		\$25,000		
	Coverage C – Personal Property		\$125,000		
	Coverage D – Loss of Use		\$75,000		
	Coverage E – Personal Liability		\$500,000		
	Coverage F – Medical Payments to Others		\$5,000		
	<b>Loss</b>	<b>Wind/Hail</b>	<b>Theft</b>	<b>Hurricane</b>	
<b>Deductible:</b>	\$2500	1%			
<b>Endorsements:</b>					
HO 04 20	HO 04 54	HO 04 90	HO 04 98	HO 24 82	

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The Agreement, also called the Insuring Agreement, establishes in clear terms the contract between the insured and the insurance company.

HOMEOWNERS COVERAGE BASIC LIMITS OVERVIEW			
Coverage	HO 2 - Broad Form HO 3 - Special Form HO 5 - Comprehensive Form	HO 4 - Contents Broad Form	HO 6 - Unit-Owners Form
Section I Property Coverages	Coverage A - Dwelling	Replacement Cost of Dwelling	No Coverage A, but 10% of Coverage C applies as additional insurance for building additions and alterations
	Coverage B - Other Structures	10% of Coverage A	No Coverage B
Section II Liability Coverages	Coverage C - Personal Property	50% of Coverage A	Selected by insured
	Coverage D - Loss of Use	30% of Coverage A	30% of Coverage C
	Coverage E - Personal Liability	\$100,000 Each Occurrence	
	Coverage F - Medical Payments To Others	\$1,000 Each Person	
Note: Coverage B - Can be increased by endorsement Coverage D - Can be increased Coverage C - Can be increased or decreased Coverage E - Can be increased up to \$500,000 Coverage F - Can be increased up to \$5,000			

**Agreement: “We will provide the insurance described in this Policy in return for the premium and compliance with all applicable provisions of this Policy.”**

How might skipping a premium payment or failing to notify the insurance carrier of a new room addition to the home affect the Agreement?

How might you help your clients understand the importance of reading their insurance policies and make them aware of any areas around which misconceptions may arise?

**LESSON 1.6 UNDERSTANDING THE DECLARATIONS PAGE AND AGREEMENT****ACTIVITY: WHO, WHAT, WHEN, WHERE, AND HOW?**

The Declarations Page is part of the Homeowners' Policy for your client, Mr. Brown. Mr. Brown called to report that a fire in his kitchen has caused \$30,000 in damage to the kitchen, and \$3,000 in damage to his personal property in the kitchen, which included his collection of very expensive spices, pots and pans, special baking utensils, and all his appliances. He will not be able to cook any meals in his home for the next six weeks and estimates that the inability to cook will increase his food costs by \$100 per week. What do you need from Mr. Brown and the Declarations Page to provide the necessary coverage?

Who?

What?

When?

Where?

How?