



SURPLUS LINE MANAGERS INC.

A Certified Managing General Agency (Cmga)

Vermont

American Reliable Insurance Company

DP-3 OVERVIEW

The American Reliable DP-3 program offers a variety of coverages and limits. The DP-3 typically has a higher premium than the DP-1 or DP-2 program, but provides more coverage as nearly all perils are covered unless the policy specifically excludes or limits the coverage. The DP-3 program should be used for dwellings in excellent repair with no existing damage and is typically used for newer, higher valued dwellings where replacement cost is desired. The dwellings placed in this program may have one or more of the following characteristics:

- Professional landlords with multiple rental properties
- Seasonal occupancy, including vacation rentals
- Unsupported rental properties
- Primary homes where the insured may have a credit history that would prevent them from getting a policy with a homeowners market.

DP-3 vs. HO-3: Coverage in the DP-3 and HO-3 policy forms is very similar with a few exceptions. Some of these exceptions include:

- Coverage C is only included if the coverage is listed on the declarations page.
- Liability is only included if the coverage is listed on the declarations page.
- No Loss Assessment Coverage
- No Credit Card, Electronic Fund Transfer Card or Access Device, Forgery and Counterfeit Money Coverage

The HO-3 requires the dwelling to be owner occupied while the DP-3 does not.

Policy Form: American Reliable uses the ISO DP 00 03 for its DP-3 Program. The DP-3 is considered an open perils policy and provides coverage for any reason not specifically excluded.

DP-3 Commonly Excluded Perils*:

- Ordinance or Law (except what is included in Other Coverages Included section)
- Earth Movement
- Water Damage (flood, surface water, etc.)
- Power Failure
- Neglect
- War
- Nuclear Hazard
- Intentional Loss
- Governmental Action

Other Coverages Included*:

- Other Structures - 10% of Coverage A
- Debris Removal – Reasonable Cost
- Improvements, Alterations and Additions - 10% of Coverage C
- World Wide Coverage - 10% of Coverage C, reduces Coverage C limit
- Rental Value and Additional Living Expense – 20% of Coverage A
- Reasonable Repairs
- Property Removed - Reasonable Cost
- Trees, Shrubs, and Other Plants - \$500 per Plant/5% of Coverage A Maximum
- \$500 Fire Department Service Charge
- Collapse
- Glass or Safety Glazing Material
- Ordinance or Law - 10% of Coverage A

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Features/Advantages:

- Available for primary, rental, and seasonal occupancies
- The minimum Coverage A value is \$75,000 and the maximum Coverage A value is \$500,000.
- Available for dwellings 1930 and newer
- All Protection Classes qualify
- Plumbing and heating updates are not required
- Roof Updates are not required; however the roof must not be in disrepair upon inspection.
- The dwelling must have 100 amp electrical service (fuses are not acceptable – a combination of fuses and circuit breakers is acceptable).
- Replacement Cost Loss Settlement included for Coverage A and Coverage B
- Short term rentals are allowed
- Liability coverage is available to all dwellings with dogs that do not have a bite history. However, a Specific Breed Animal Exclusion is attached to all policies.
- Liability coverage is available for dwellings with trampolines. A Trampoline Exclusion is attached to all policies.
- Horses are allowed. The total number of horses cannot exceed the number of family members.
- Livestock and farm animals for 4H type projects are allowed as long as there is no revenue from the activities.
- Supplemental heating devices do not require an additional questionnaire if installed by a licensed contractor.
- Swimming Pools are allowed if they are within underwriting guidelines. If the pool does not meet the guidelines, the policy may still be written but the swimming pool exclusion will be attached.

Included Coverages*:

- Limited Mold Property
- Limited Mold Liability – Included if liability is purchased

Optional Coverages:

They offer a variety of optional coverages for you to market.

- Other Structures Increased Limit
- Personal Property
- Fair Rental Value Increased Limit
- Additional Living Expense Increased Limit
- Personal Liability
- Medical Payments to Others
- Premises Liability
- Personal Property Replacement Cost
- Limited Theft
- Broad Theft
- Radio & TV Antennas, Signs & Awnings
- Earthquake
- Water Backup or Sewers & Drains
- Functional Replacement Cost

*Commonly Excluded Perils, Other Coverages Included and Included Coverages are subject to provisions, exclusions, and conditions of the applicable policy.

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