

Texas Homeowners Insurance Coverage Guide

Provided by Texas Insurance Zone

For more information, please visit us at

<http://www.TexasInsuranceZone.com>

Texas Homeowners Insurance

Homeowners insurance protects you from financial losses caused by storms, fire, theft, and other events outlined in your policy. It is important to know what's in your policy. This webpage gives you general information about Texas Homeowners Insurance, but it is not a substitute for the policy itself.

Make sure you read your policy carefully and understand your specific coverages. It's also important to know your rights. Texas has a Consumer Bill of Rights for homeowners and renters insurance. Your company *must* send the Bill of Rights with your policy or renewal.

Don't wait until you have a claim to review your policy and to know your rights.

Texas Homeowners Policies

You can buy a dwelling policy that covers only the structure of your house. Or, like most Texans who own their homes, you can buy a Texas Homeowners Policy, which combines five different types of coverage:

Dwelling - Pays for damage to your house and any outbuildings, such as detached garages and storage sheds.

Personal property - Pays when household items, including furniture, clothing and appliances, are damaged, stolen, or destroyed.

Personal Liability - Protects you against financial loss if you are found legally responsible for someone else's injury or property damage. A homeowners policy **automatically** provides **\$25,000 in coverage**. You can buy up to \$1 million in coverage for an extra premium.

Medical payments to Others- Pays medical bills for people hurt while on your property. It also pays for some injuries that happen away from your home, such as your dog biting someone. A basic homeowners policy pays \$500 in medical bills. You can pay extra and get up to \$5,000 in medical payments coverage.

Loss of use - Pays living expenses if your home is too damaged to live in during repairs. The most common policy pays up to 20 percent of the amount for which your house is insured.

Types of Texas Homeowners Insurance Coverages

Texas Insurance companies may sell several types of policies in Texas, each with a different level of coverage. **Three of the policy forms available for sale in Texas - the HO-A, HO-B, and HO-C - are standardized.** This means the policy language and coverages provided by these policies are the same, regardless of the company writing the policy. Keep in mind, however, that although an HO-B policy written by one company will be **exactly the same** as an HO-B policy written by another company, the two companies may charge *different rates*.

Texas Homeowners Insurance Companies may also offer **alternative** policy forms, if approved in advance by the Commissioner of Insurance. These policies are not standardized and usually provide varying coverages. **Read your policy carefully to know exactly what coverages are included.** Some companies may sell more than one policy form. In general, however, a company will offer only one form to its customers. If a company offers you a policy with less coverage than you'd like, ask if other policy forms are available. You also may be able to add additional coverage by buying endorsements to your base policy.

Following is a brief description of the types of policies sold in Texas:

- **HO-A** policies provide extremely limited actual cash value coverage of your home and its contents. Only the types of damage specifically listed in the policy are covered. The **HO-A is a standardized Texas policy.**
- **HO-A amended policies provide more extensive coverage than the base HO-A policy but less coverage than an HO-B.** HO-A amended policies are not standardized. Coverage provided by these policies may differ by company.
- **HO-B policies provide replacement cost coverage for most types of damage, except those specifically excluded in the policy. The HO-B is a standardized Texas policy.**

- **HO-C policies provide the most extensive coverage, but they are more expensive than other types of policies. The HO-C is a standardized Texas policy.**
- Approved alternative policies offer varying levels of coverage. Companies can sell alternative policies only if the policy form is approved in advance by the Commissioner of Insurance. These policies are **not standardized**. Coverage may differ considerably from one company to another and from the coverage provided in the standardized Texas homeowners policies.
Generally, HO-B policies provide the most coverage for the price, but some companies do not offer the HO-B policy.

For a side-by-side comparison of the coverages provided by the policy forms approved for sale in Texas, visit the website of the Office of Public Insurance Counsel

www.opic.state.tx.us

What Homeowners Policies Do and Don't Cover

Most Policies Cover Losses Caused by:

- Fire and lightning
- Aircraft & vehicles Earthquakes
- Vandalism and malicious mischief
- Theft
- Explosion
- Riot and civil commotion
- Smoke
- Windstorm, hurricane, and hail
- Sudden and accidental water damage

Most Policies Do Not Cover Losses Caused by:

- Flooding
- Earthquakes
- Termites
- Insects, rats or mice (vermin)
- Freezing pipes while your house is unoccupied (unless you turned off the water or heated the building)
- Wind or hail damage to trees and shrubs

- Losses if your house is vacant for 60 days or more
- Wear and tear or maintenance
- Water damage resulting from continuous and repeated seepage

Companies may exclude coverage for certain losses. For example, if you live on the Gulf Coast, you might receive an endorsement that excludes coverage for wind and hail damage. In areas with a history of hail storms, some companies provide only actual cash value coverage for roofs instead of full replacement cost. Actual cash value pays for damage minus depreciation on the roof, depending on its age and condition.

Most policies will not cover mold remediation beyond that necessary to repair or replace property damaged by a water loss otherwise covered by the policy.

The HO-A policy offers no coverage for mold remediation or for damage caused by water leaks, although some companies may offer coverage for sudden and accidental water leaks as an endorsement to the base HO-A policy. Some of the other approved policy forms also cover sudden and accidental water leaks, while others may not. Read your policy or ask your agent whether your policy covers water leaks and mold remediation.

Insurance companies are required to offer you mold remediation coverage. Depending on the company, this coverage will be offered in dollar or percentage increments up to 100 percent of your policy's limits. If you have questions or concerns about how a mold claim is being handled, or if you need information about how to minimize mold losses, ask your insurance company for a set of guidelines regarding mold claims or contact DI for a copy of the publication Effectively Handling Water Damage and Mold Claims. This publication contains suggested practices for both consumers and insurance companies in the event of a water or mold loss.

TDI's Consumer Help Line or by visiting the TDI website
1-800-252-3439
463-6515 in Austin

www.tdi.state.tx.us

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