

Increased Limits Options for Coverage B and Coverage for Second Habitational Structures

April 14, 2016

The Office of Insurance Regulation (OIR) has approved Citizens' requests to:

- Offer increased coverage limits for Coverage B – Other Structures
- Offer policies for second habitational structures on the same property

The changes outlined below are effective April 24, 2016. Citizens will provide system details in a communication later this month.

Coverage B – Other Structures Options

Policyholders will have the option to increase Coverage B coverage amounts for other structures that are *not* rented out or used to conduct business. The increased coverage options will apply to all personal lines policy types, excluding condominium and tenant contents policies.

Notes

- Coverage B can be increased in 5-percent increments up to 60 percent of the Coverage A amount.
 - Current coverage limits and options will remain the same.
 - Coverage B can be increased on all new and renewing policies effective on or after February 1, 2016, and midterm changes are allowed.
 - For policies effective prior to February 1, 2016, agents will be able to cancel and rewrite a policy midterm to increase Coverage B up to 60 percent of the value of Coverage A.
 - Photos are required for all Coverage B structures.
 - Due to the fixed \$2,000 minimum Coverage B amount for *Mobile Homeowners 3 – Special Form* (MHO-3), policies with a Coverage A amount less than \$20,000 already have a Coverage B limit greater than 10 percent.
-

Coverage for Second Habitational Structures

Second habitational structures on the same property that are rented to others or the value of which exceeds the 60 percent Coverage B maximum may be written on a separate policy. In no event will more than two

policies be issued for property at the same residence premises.

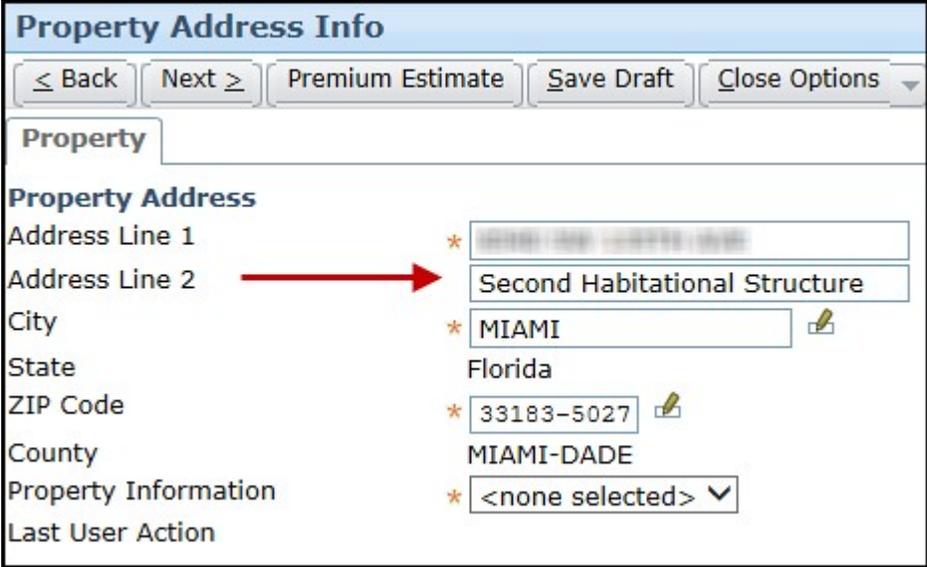
Risks must meet all underwriting eligibility guidelines as outlined in the applicable underwriting manual. The following dwelling policy forms will be acceptable to cover second habitational structures based on the type of structure to be insured:

- *Dwelling Property 1 – Basic Form (DP-1)*
- *Dwelling Property 3 – Special Form (DP-3)*
- *Dwelling Property 2 – Wind-Only Form (DW-2)*
- *Mobilehome Dwelling Property 1 – Basic Form (MDP-1)*
- *Mobile Home Dwelling Property 1 – Wind-Only Form (MD-1)*

Contact Underwriting for guidance on these or other situations involving second habitational structures on the same property.

Note

Agents should indicate *Second Habitational Structure* on the property's *Address Line 2* in PolicyCenter®:



The screenshot shows a web form titled "Property Address Info". At the top, there are navigation buttons: "Back", "Next", "Premium Estimate", "Save Draft", and "Close Options". Below the title bar, there is a "Property" tab. The main section is "Property Address" and contains the following fields:

Address Line 1	* [Redacted]
Address Line 2	Second Habitational Structure
City	* MIAMI [Edit icon]
State	Florida
ZIP Code	* 33183-5027 [Edit icon]
County	MIAMI-DADE
Property Information	* <none selected> [Dropdown arrow]
Last User Action	

Figure 1: Indicate *Second Habitational Structure* on *Address Line 2*.

For more details, refer to the *Personal* lines section of the *Agents* site. Select *PR-M* or *PR-W* to access underwriting manuals, policy forms, rating worksheets and more.

Share:

-