

Choosing Between Basic and Special Form Coverage

Special Form Coverage is the most comprehensive and in turn, the more expensive form an investor can purchase. Unless there are specific exclusions listed within the policy, coverage is afforded to you in the event of a loss. The burden is on the insurance carrier to prove the cause of loss is a specifically excluded peril.

Basic Form Coverage is a “Named Peril” coverage, meaning that following a loss, the burden or proof falls on the insured to prove to the insurance company that the loss in question was caused by an included peril. Basic Form can save you about 20% to 25% per year, but offers coverage only for the perils that are specifically listed on the policy.

Cause of Loss	Basic	Special
Fire	X	X
Lightning	X	X
Explosion	X	X
Windstorm and Hail	X	X
Smoke	X	X
Aircraft and Vehicles	X	X
Riot or Civil Commotion	X	X
Volcanic Action	X	X
Sprinkler Leakage	X	X
Vandalism / Malicious Mischief (*subject to sublimit of \$30,000)	X	X
Falling Objects		X
Weight of Snow, Ice or Sleet		X
Water Damage		X
Collapse – Additional Coverage		X
Theft (*subject to sublimit of \$30,000)		X
Risk of Direct Physical Loss (*subject to policy exclusions)		X

Exclusions

Standard Special Form exclusions are below. Some of these exclusions can be purchased as an endorsement or supplemental policy and others cannot. Causes of loss that are not covered on most policies are:

- ▶ Mold and fungus*
- ▶ Wear and tear
- ▶ Sewer and Drain Back-Up -- limited coverage can be purchased separately via our Tenant Protector Plan
- ▶ Earth Movement (Earthquake and Sinkhole) -- this can be purchased separately
- ▶ Flood -- this can be purchased separately
- ▶ Intentional tenant damage

** Some of our program policies include limited mold coverage up to \$15,000.*

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