



RESIDENT LIABILITY INSURANCE REQUIREMENT, INFORMATION & DISCLOSURE NOTICE

This Addendum is attached to and becomes a part of the Residential Lease Agreement. For the duration of the Lease, Lessee is required to maintain and provide the following minimum required insurance coverage:

\$100,000 Limit of Liability for Lessee's legal liability for damage to Lessor's property for no less than the following causes of loss: fire, smoke, explosion, backup or overflow of sewer, drain or sump, and water damage ("Required Insurance").

Lessee is required to furnish Lessor with evidence of Required Insurance prior to occupancy of leased premises and at the time of each lease renewal period. If at any time Lessee does not have Required Insurance, Lessee is in breach of the Lease and Lessor shall have, in addition to any other rights under the Lease, the right but not the obligation to purchase Required Insurance coverage protecting the sole interest of the Lessor and seek contractual reimbursement from the Lessee for all costs and expenses associated with such purchase.

Lessee may obtain Required Insurance or broader coverage from an insurance agent or insurance company of Lessee's choice. If Lessee furnishes evidence of such insurance and maintains the insurance for the duration of the Lease, then nothing more is required. If Lessee does not maintain Required Insurance, the insurance requirement of this Lease may be satisfied by Lessor, who may purchase such coverage through the Lessor's Master Liability Coverages - ("TTL with Contents"). The coverage provided under the TTL with Contents will provide the Required Insurance coverage listed above. An amount equal to the total cost to the Lessor for the TTL with Contents coverage shall be charged to Lessee by the Lessor as a recoverable expense under the Lease. Some important points of this coverage, which Lessee should understand are:

TTL with Contents is designed to fulfill the insurance requirement of the Lease. Lessor is the Insured under the TTL with Contents. This is single interest master insurance policy. Lessee is not an Insured, Additional Insured or beneficiary under the TTL with Contents. All loss payments are made to the Lessor.

TTL with Contents coverage is NOT personal liability insurance or renters insurance. TTL with Contents does not cover liability arising out of bodily injury or property damage to any third party. If Lessee requires this coverage, then Lessee should contact an insurance agent or insurance company of Lessee's choice to obtain personal liability insurance or renters insurance to protect Lessee's interests.

Coverage under the TTL with Contents may be more expensive than the cost of Required Insurance obtainable by Lessee elsewhere. At any time, Lessee may contact an insurance agent or insurance company of their choice for insurance options to satisfy the Required Insurance under this Lease.

If Lessee has purchased Renters Insurance and at any time allows such Renters Insurance to lapse in breach of the Lease Agreement, Lessor may purchase Lessor Insurance without notice and add the total cost associated therewith to Lessee's monthly rent payment.

The total cost to the Lessee for the Lessor obtaining TTL with Contents shall be (\$10.95) Dollars per month, subject to no proration. This is an amount equal to the actual premium charge to the Lessor including any premium taxes and fees due to state governing bodies. Additionally, an Administration Fee in the amount of \$9.05 Dollars per month to be retained by the Lessor for processing and handling will be charged.

In the event that loss or damage to Lessor's property exceeds the amount of Required Insurance, Lessee shall remain contractually liable to Lessor for such amount. In the event of liability to any other party for bodily injury or property damage, Lessee shall remain liable to such other party. It shall be the Lessee's duty to notify Lessor of any subsequent purchase of Renters Insurance.

As used in this Addendum: "Lease" may be interchangeable with "Lease Agreement"; "Lessee" may be interchangeable with "Resident" or "Tenant", and "Lessor" may be interchangeable with "Landlord" or "Owner".

Scheduling of the premises under the TTL with Contents is not mandatory and Lessee may purchase Required Insurance from an insurance agent or insurance company of Lessee's choice at any time and coverage under the TTL with Contents will be terminated by the Lessor.

TTL with Contents is an insurance policy written in the name of Property Managers, Owners, Distribution Partners, Agencies, rather than the resident like an HO4 policy. It provides liability coverage for property damage to the named insureds buildings, units, and homes up to the specified coverage limit (\$100k) and also provide coverage for damage to resident belongings up to \$10k. Coverage for personal liability and dog bite liability is also included in the policy.

Master Policy is a "group policy" written in the name of Property Managers, Owners, Distribution Partners, Agencies, rather than the resident like an HO4 policy Master Policies provide liability coverage for property damage to the named insureds buildings, units, and homes up to the specified coverage limit (\$100k) and also provide coverage for damage to resident belongings up to \$10k. Coverage for personal liability and dog bite liability is also included in the policy.

Master Policy Summary

Master Policy is a "group policy" written in the name of Property Managers, Owners, Distribution Partners, Agencies, rather than the resident like an HO4 policy.

Master Policies provide liability coverage for property damage to the named insureds buildings, units, and homes up to the specified coverage limit (\$100k) and also provide coverage for damage to resident belongings up to \$10k. Coverage for personal liability and dog bite liability is also included in the policy.

Definitions:

In defining the scope of coverage, insurance policies rely on terms and phrases that have very special and often very specific meanings. Please be sure to review the definitions section closely in order to get a clear understanding of the policy terms.

Liability Coverages:

Property Damage Liability to Landlord's Property. The liability section of the master policy details the coverage provided to the named insured for property damages to the named insured's covered buildings, units, or homes. Coverage is available up to the specified coverage limit for instances or occurrences where the resident was legally liable and when it relates to a specified named covered peril.

Standard Liability Coverages: covered up to \$100k liability limit with \$0 deductible

- Fire
- Smoke
- Explosion
- Water
- Overflow of sewer or sump

Expanded Liability Coverages: automatically included in master policy; covered up to liability limit with \$0 deductible

- Collapse
- Falling Objects
- Freezing of Pipes
- Overflow of Appliances

Additional Liability Coverages: automatically included in master policy; special sub limits detailed below:

- Loss of Rental Income- covered up to \$1,000/premise and \$10,000/occurrence
 - Pet Damage- covered up to \$1,000 per occurrence; \$250 deductible
 - Mold Remediation- covered up to \$1,000 per occurrence; no deductible
- *Coverage for mold remediation applies when a covered loss (caused by one of the perils referenced above) results in mold damage. Mold MUST relate to a specific covered loss. This coverage does not apply to mold caused by lack of cleaning, humidity, poor insulation, etc.
- Bed Bug Remediation- covered up to \$500 per occurrence; \$250 deductible
- *Coverage applies when a resident is liable for a bed bug incident. For example, if the home or unit has no previous history of bed bugs and a new tenant moves in and an infestation occurs, coverage would apply.

Exclusions

Exclusions are the cases for which the insurance company does not provide coverage. These are the conditions excluded from the insured event to avoid losses to the company. The master policy will detail out any and all exclusions that may affect the coverage provided. It is important to closely review exclusions as they may revoke coverage on certain items.

Common Liability Exclusions

Easiest way to think about exclusions in the liability coverage is anything that is not related to resident negligence or resident legal liability. Commonly excluded perils (not an exhaustive list, please reference the policy):

- Flood
- Natural causes: lightning, tornadoes, hurricanes, rain, etc
- Intentional damage/vandalism
- Wear and tear
- Equipment breakdown: Ex. ceiling fan short circuits and causes a fire

Resident Personal Contents Coverage

This section of the master policy details coverage provided for any claim by a “tenant” in which their personal contents were damaged via one of the named perils below. All perils are covered up to the \$10k with a \$500 deductible/occurrence. Unlike the property liability coverages, these perils do not require a resident to be negligent or legally liable for coverage to apply.

Coverage will apply as long as the loss relates to one of the covered perils below.

- Fire/lightning
- Wind/hail
- Smoke
- Water
- Explosion
- Burglary

Common Resident Contents Exclusions:

- Off premise losses
- Flood
- Theft

Additional Living Expense

If a loss via a covered peril to covered property or the building containing the property makes the "residence premises" not fit to live in, the policy will cover any necessary increase in living expenses incurred by the “tenant” so that the “tenant’s” household can maintain its normal standard of living. A coverage limit of \$1k will apply. Payment will be for

the shortest time required to repair or replace the damage or, if the “tenant” permanently relocates, the shortest time required for the “tenant’s” household to settle elsewhere.

Tenant’s Premises Liability

The Tenant’s Premises Liability endorsement provides coverage for the tenant if a claim or suit is brought against them for damages because of “bodily injury” or “property damage” caused by an “occurrence” arising out of the tenant’s maintenance or use of the residence premise OR from an animal that is owned or in the care of the tenant (and approved by the landlord). This endorsement provides coverage for the resident for medical payments to others that they are liable for, as well as defense against suits brought against the resident relating to premises liability property damage and bodily injury. Coverage does not apply to incidents that occur off premise.

Tenant’s Premises Limit of Liability:

- The policy will pay up to the Tenant’s Premises Limit of Liability of \$100k for general liability incidents (slip and falls, injuries on premise, etc). This coverage will apply to suit defense, medical expenses, and other expenses relating to the incident/loss where the tenant is liable.

Animal Sublimit of Liability:

- Incidents relating to animals owned or in the care of residents (and approved by the landlord) are covered up to \$25k for suit defense, medical expenses, and other expenses relating to the loss where the tenant is liable
- No breed exclusions. As long as the pet is approved by the landlord to live in the home or unit, coverage will apply.

Infographic Coverage Outlines Below



Personal Liability Coverages

Personal Liability

\$100k for tenant premises liability; \$0 deductible



Dog Bite Liability

\$25k per occurrence; \$0 deductible



Additional Living Expense

\$1000 per occurrence



- Dog bite/bodily injury must occur on premise
- Home/unit must be enrolled in the policy
- Damage must relate to one of the previously mentioned coverages for ALE to apply

Master Policy

Property Liability

The below perils are excluded



Natural Causes



Wear and Tear



Equipment Breakdown



Flood



Intentional Damage

Resident Contents

The below perils are excluded



Off Premise Losses



Flood



Theft

- A loss is considered "theft" when it's a mysterious disappearance with no evidence of forced entry

Contents Coverages

Standard

\$10k per occurrence - \$500 deductible



Fire /Lightning



Water



Wind /Hail



Explosion



Smoke



Burglary