

HOA Master Insurance Policy: review and verify “Form” specifics upon transition from Declarant/Developer to Homeowners

What is Basic form, Broad form, and Special form?

Basic, Broad, and Special form are three common coverage forms when insuring property. Basic form is the most restrictive, while Special offers the greater level of protection.

Basic form covers these 11 “perils” or causes of loss: Fire or Lightning, Smoke, Windstorm or Hail, Explosion, Riot or Civil Commotion, Aircraft (striking the property), Vehicles (striking the property), Glass Breakage, Vandalism & Malicious Mischief, Theft, and Volcanic Eruption.

Broad form covers the same 11 perils, but adds 6 more: Falling objects, Weight of ice, snow or sleet, accidental discharge or overflow of water or stream from within plumbing or related systems; does not include discharge or overflow of water from a sump, sudden and accidental rupture of heating, air conditioning, fire protective sprinkler, or hot water heating system. Freezing of plumbing or related systems. And Sudden and accidental damage from artificially generated electrical current.

Special form does not specifically list perils, rather it is “all risk” coverage unless otherwise specifically excluded.

As always refer to your actual policy for coverage language as it could vary slightly from carrier to carrier, and product to product.