



INSURING RENTAL PROPERTIES

# DP1 VS DP3

Policy Form	DP1 - Basic	DP3 - Special
Brief Description	"Economic"	"Comprehensive"
Perils Covered	Should be thought of as "Catastrophic only," primarily covering fire & wind. Does NOT cover water damage.	More in line with the coverage you would carry on your primary home, usually including water damage coverage
Loss Settlement	"Actual Cash Value" meaning the adjustor will apply depreciation to reduce your claim pay out	"Replacement Cost Value" meaning you will receive what it costs for you to replace your damaged property. Also referred to as "New for Old"
Renovation Requirements	Easier to get approved, especially for older homes because of water damage exclusions and ACV loss settlement	Often will require an acceptable 4-point inspection with major features updated within the last 15-20 years, & all in good working order
No Prior Insurance	This is generally allowed	Generally surcharged or ineligible