

Vacant Or Unoccupied Homes

First, there IS a difference. The difference between the two is a matter of time and intent. While unoccupancy is a temporary condition and an exception to a residence normally having occupants, vacancy generally represents abandonment of property. The point is that either condition may affect your coverage under a typical homeowner policy. It is quite important to understand the consequences of either condition in order to keep your coverage intact.

Peeking At A Homeowner Policy

Generally, a homeowner policy has a couple of areas that may be affected by a home's occupancy status: damage caused by freezing, or certain property and loss due to vandalism. Let's talk about them in detail.

A homeowner policy usually protects a home from any loss that is caused by a frozen:

- plumbing system
- heating system
- air conditioning system or
- appliance

Example 1: Fern Guddyson and her family leave their home in Minnesota in January. They'll spend the next 10 weeks in Miami because Fern is teaching a graduate course in Zen awareness at Palm Leaf University. During a bitter cold spell at their home at the end of March, the water line to their refrigerator (for its ice-maker) freezes and breaks. Later, when the line thaws, it overflows and, eventually, soaks all of the home's oak flooring and carpets. Fern makes a claim to her insurer when the family returns home. The insurance company rejects the claim when they find out the home was unoccupied for more than 30 days before the loss.

Unfortunately for the Guddysons, most homeowner policies will not cover freeze-related losses that occur during an extended period in which the home is either vacant OR unoccupied. But this loss of coverage can be avoided if the homeowner takes special steps. Precautions usually involve either draining any systems or appliances of water and shutting off the home's water supply, or keeping the home heated during the absence.

A homeowner policy typically offers protection to a home that is damaged by acts of vandals.

Example 2: Fern Guddyson and her family leave their home in Minnesota in January. Again, they'll be in Miami for the next 10 weeks while Fern gets her doctorate in surfing from Palm Leaf University. A week before the Guddysons return, a group of kids breaks most of their home's windows. They then enter the home and use tools to smash doors, floors and walls. Fern makes a claim to her insurer when the family returns home from Miami. Their insurer estimates the damage and gives Fern a check to cover her loss.

Typically, vandalism losses are covered even during periods of extended unoccupancy. However, if the Guddysons had emptied their home of all furnishings and turned off the power for the time they were gone, the vandalism loss would not have been covered.

Why Are Such Exclusions Necessary?

Homeowner policies contain such exclusions in order to avoid special loss situations. A vacated home becomes an attractive nuisance, often attracting vandals. If a home is to be vacated, it may be necessary to purchase dwelling fire coverage to protect the home. In regards to loss caused by freezing, insurers want to encourage homeowners to do a little planning in order to reduce or eliminate the chance that a system or appliance causes a loss. If an insured refuses to act responsibly toward their property, they risk the chance of an uninsured loss.

If you're facing a situation in which your home will be unoccupied or vacant for an extended period, talk to your agent and make sure you do whatever is necessary to preserve your full insurance protection.

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