

A homeowners policy requires the insured to reside in the dwelling

In order to be eligible for a homeowners policy, must I reside in the dwelling insured on that policy?

Yes. The policy states that the named insured (owner) must reside in the dwelling on the inception date of the policy, whether it is a new policy or a renewal policy.

What examples can you give where the owner does not reside in the dwelling?

There are a variety of reasons why the insured may not actually reside in the dwelling. The owner may have been placed in a nursing home or recently departed. The owner may have moved to a newly purchased home and is waiting for the old home to be sold. The owner may have purchased the home to occupy, but is unable to move into it for months because of renovations or delays in executing an employer relocation plan. A separation or divorce may occur and the named insured owner moves out, leaving the nonowner spouse, who is not a named insured, to occupy the home. There are times when a child lives in a separate home or the parents live in a child's home. The home also may have been converted to rental property.

What happens if I don't reside in the insured dwelling on the inception date of the policy?

The insurer could deny your claim for damage to the dwelling.

If my claim is denied because I do not reside in the dwelling, will my mortgage company also be denied payment?

Not if the mortgage company was unaware of the occupancy change and complies with its duties following a loss.

Will a claim be denied if there is a change in occupancy during the term of the policy?

Any changes in occupancy by the owner will not affect coverage as long as the owner resided in the dwelling on the inception date of the policy.

What about a second home or a seasonal home, where the owner occupies the dwelling only part of the time?

These dwellings will be insured with knowledge that they are a second home

or a seasonal home, and the restriction for occupancy will not apply to them. A seasonal dwelling is a dwelling with continuous occupancy of three or more consecutive months during any one-year period. Of course, these dwellings cannot be used for rental or solely investment purposes, but must exist to provide a residence for the insured.

Why does the insurer require the owner to reside in the dwelling?

Premium for the homeowners policy is based upon the risk of loss that exists when the owner resides in the dwelling. An unoccupied dwelling, a rented dwelling, a dwelling undergoing extensive renovations or a dwelling occupied by unknown persons generates a greater risk of loss.

Can owner occupancy be waived for a reasonable time period?

Yes. The policy can be endorsed to waive the residency requirement to accommodate specific circumstances (for example, the loan has closed, but the owner will not be moving in for a few weeks). Upon approval by the insurer, the endorsement provides an "inception date" and "termination date" for the time residency by the named insured will

