

**VACATION
INCOME
PROPERTY**

SPECIAL REPORT



**YOUR VACATION INCOME PROPERTY
MAY HAVE SERIOUS GAPS IN COVERAGE!**

Here is your exclusive free report.

Courtesy of **MIDDLEOAK** 
*Making Insurance Right**

Did you know...25% of all vacation homes are purchased for short term rentals

- 2009 National Association of Realtors Investment and Vacation Home Buyer Survey

Vacation Income Property Special Report

Who this report is designed to help:

- Owners who rent a 1 or 2 family home or who rent a condominium (ski areas, beaches, lake communities, golf, mountain destinations, local attractions, etc.)
- Owners who have a short term rental (minimum of 2 night stay & rented out for as many as 52 weeks per year, seasonal rentals too)
- Owners who also use this vacation income property themselves
- Property or real estate managers who wish to help protect the financial investment of the owner
- Owners who have their vacation income property in their name, or the name of a realty trust, LLC, or business

Is your vacation income rental being insured by a high priced general insurance policy or a general business policy?

If your answer is yes, you either may be paying too much or may not have the correct coverage to protect your property investment(s) – or worse...both!

When agencies do not have a customized vacation income property insurance policy, they may place your property on a general business policy or with a high priced specialty carrier that accepts “risky” business. This may result in less coverage at a much higher cost. This places your home in a category it does not deserve. Why? You are not dealing with an insurance company that has a specific vacation income property policy.

Important coverages and considerations for vacation income properties

To protect yourself from coverage shortfalls, make sure you have the following important coverages:

Theft:

Many policies exclude or limit this coverage considerably because of your home's income rental usage.

Rent protection coverage:

Many policies limit or exclude this important feature for your income property. That means that you can be left with no rental income while the damage is being fixed! You want your coverage to pay for the opportunity lost by not being able to rent your property during that unfortunate "down-time."

Adequate liability coverage to protect against lawsuits:

Consider a company that can offer limits above \$1 million so you can be covered as your needs change over the years. Also, be sure that your policy doesn't limit your rental liability coverage to "an occasional basis." Who determines this? The insurance company may do this at the time of your claim.

If you make sure you have an insurance policy created just for vacation income properties with proper coverage, you don't have to worry about this or other hidden common coverage gaps that you will need protection for.

Businesses, Trust, or LLC flexibility:

When you try to protect your interests and investments, these forms are often not available for coverage with some insurance options. This means you may not be able to qualify for coverage or you may have coverage gaps for your important business entity.

Professional appraisal service:

If your rental is not a condominium, make sure your insurer performs a professional vacation income property specific appraisal on your home in order to make sure your investment is protected completely. In addition, you want to be sure your property avoids any hazards that may cause you headaches when renting your property.



Proper rental coverage designed specifically for short term vacation rental situations will help protect you from losing your property for good.

Regular home and condo coverages may leave serious gaps too

At any time, if the company finds out you are using your home for short term vacation rentals, cancellation may result. Your rate may then be considerably higher with different coverage, as opposed to if you had a specific vacation income property policy designed for this coverage. You also may have coverage denied altogether at the time of a claim, costing you thousands of dollars out of your pocket!

Make sure your policy is customized exclusively for vacation income properties

If it is a general policy and does not specifically state that it is a vacation income property policy, beware! You may have serious coverage gaps and may be paying more money for insurance than you need to! Why end up with either situation?

Discounts

Companies that have customized vacation income property insurance understand these properties and can manage your premiums better over the long term. They also offer unique discounts.

Look for these discounts on your insurance:

- Non-smoking policy credit
- No woodstove credit
- Freeze alarm credit
- Insurance requirements for tenants
- Exceptional management credit
- Flexible deductibles to help lower your insurance premiums even further



Does your insurance do all of these things while providing a great value?

Having the best insurance doesn't have to cost a fortune. Evaluate what you are currently getting for your money. Coverage gaps will leave you with big bills. Ordering this report was the first important step to protecting yourself financially. Why take the chance of losing money because you didn't insure it properly?



'Slip and Fall' accidents are one of the most common liability risks.

Vacation Income Property Insurance Shopping Secrets

These questions will help let you know if you are getting proper coverage from a specialist. Space is provided for you to take notes as you shop. Simply copy this form and keep it handy with this report.

A CHECKLIST FOR SUCCESS:

1. Is this insurance policy used for other things or exclusively for Vacation Income Property?
2. Do you offer lawsuit protection through liability coverage in excess of \$1 million dollars protection on the same policy without an umbrella liability policy?
3. Is personal injury coverage included at no extra charge? (Personal Injury is defined as libel, slander, invasion of privacy, and other related damages)
4. Do you offer rental income protection coverage? If so, can I purchase the amount of rental income coverage I need?
5. Do you offer liability coverage for pools, docks, hot tubs, canoes or rowboats? (If this applies to your rental)
6. Does the policy automatically include coverage for emergency expenses? (called 'Emergency Extra Expense coverage, which reimburses for certain extra expenses caused as a result of the loss)
7. Do you offer a discount for property management practices? (For example: tenant selection, yearly maintenance, and between rental maintenance and cleaning)

8. If I have a property manager that takes care of everything, including tenant selection, rental maintenance and annual maintenance, do I get another discount?

9. Is water backup coverage automatically included? If so, what is the dollar limit on coverage? Can I purchase additional coverage?

10. Do you include any coverage for the recharging or replacing of fire extinguishers?

11. Do you include any coverage for lock replacement due to lost keys or if you have a theft?

12. Does the policy include theft coverage?

13. Discounts to ask about

Freeze Alarm	yes	no	percentage_____%
Non smoking	yes	no	percentage_____%
No woodstove	yes	no	percentage_____%
Certified Property management	yes	no	percentage_____%
Exceptional Property management	yes	no	percentage_____%
New home	yes	no	percentage_____%

14. Do you survey your customers that have had claims and ask about whether or not they believe they received a fair claims settlement? What are the results of the latest survey of this type?

15. What is your financial rating with A.M. Best Company?

16. Does a co-insurance penalty ever apply to my property? (This means that you share in the loss. In other words, in certain cases where there is not enough insurance, you may not get the full claim settlement amount.)



MiddleOak Companies, financially rated A+ (Superior) by A.M. Best Company, offers VIP, a policy designed exclusively for vacation income property.

If you wish to have your vacation rental home(s) insured by a specialist, please contact your certified MiddleOak independent insurance agent who provided you with this report. MiddleOak Companies have been protecting properties for over 170 years. For more information, please visit www.middleoak.com.

MIDDLEOAK 

Making Insurance Right.[®]

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