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Homeowner’s and Dwelling Property, Personal Liability Requirements

Please note that this is not a comprehensive list of Vermont requirements; filers should also review Vermont’s statutes, regulations, and bulletins before submitting a filing

Policy Provision	REFERENCE	COMMENTS
Abuse	Department Requirement	Vermont allows absolute exclusion of sexual abuse and molestation of a sexual nature. The exclusion of corporal punishment or physical and/or mental abuse must be limited to that inflicted upon an ‘insured’ by an insured.
Alcohol/Drugs	Department requirement	Acts committed under the influence of alcohol or drugs may not be excluded in Vermont.
Animal Liability Exclusions	Department Requirement	Vermont does not allow blanket animal exclusions or blanket exclusion of entire canine breeds. The department does allow limited canine exclusions in which specific dogs (Emma, Spot, Bella, Jackson for example) are named and listed and the exclusion form is signed and dated by the insured(s).
Appeals	Title 8, § 4203	The insurer has unlimited liability if they appeal a case without the insured’s consent. The policy must include a statement that the limits of liability are waived if the insurer appeals a judgment without the consent of the insured.
Applications	Title 8, § 3541 and § 4205	Incorrect statements on the application shall not bar the right to recovery unless it was intended to deceive or unless it materially affected either the acceptance of the risk or the hazard assumed by the insurer.
Appraisal	Department Requirement	Appraisal may not be both binding and mandatory. If the parties cannot agree on the amount of loss, either may demand an appraisal. A decision agreed upon by any two appraisers will set the amount of loss or coverage. Binding appraisal is not permitted if the process can be demanded unilaterally, as it may deprive the insured access to the judiciary system. Binding appraisal is approvable only if both parties agree to the appraisal process.

Arbitration	Department Requirement	Mandatory binding arbitration is not permitted if the process can be demanded unilaterally, as it deprives the Insured access to the judiciary system. Both parties must agree to arbitration at the onset or beginning of the arbitration process.
Asbestos, Lead, Silica	Title 8, § 3542	The Department does not allow asbestos, lead or silica exclusions on primary policies.
Autopsy	Department Requirement	The Department does not approve any claims provisions in which an autopsy may be required as this might be an infringement of a person's religious beliefs and/or rights. However, if the following statement is added, then it would be acceptable: "... unless the law or your religion forbids it."
Bankruptcy	Title 8, § 4203	The bankruptcy of the insured does not relieve the insurer of its liability.
Blank General Endorsements	Department Requirement	Blank general endorsements are not acceptable as they could result in an unfiled policy wording amendment to policy forms and/or conditions. However, a change endorsement limited to administrative purposes, like changes to items on declarations pages or adding/removing endorsements or coverage parts, is acceptable.
Brackets	Department Requirement	Extensive use of [brackets] throughout a form is not approvable as it would allow for substantive changes to approved policy language.
Cancellation, Non-Renewal, Renewal	Title 8, § 3879-3883	Applicable to all Homeowners and Dwelling Property/Personal Liability policies. Highlights: 15 days notice of cancellation for non-payment; 45 days notice of cancellation for other reasons; the policy may be cancelled for any reason within the first 59 days; the policy may only be cancelled for specified reasons provided in statute if in-force 60 days or more; 45 days notice of non-renewal is required. Please refer to the statutes for specific details.
Civil Union Requirements	Regulation I-2000-01 and Bulletin 127	Applicable to all lines. Where the terms "spouse" or "family member" appear in the forms, please confirm that a Vermont "Civil Union" endorsement will be attached to the policies. Note: inclusion of "Domestic Partner" is not a substitute for our "Civil Union" coverage requirement

Deceptive Practices	Title 8, § 3542	Pursuant to Title 8 § 3542, the Commissioner shall disapprove any form(s) filed under this subchapter... (2) If it contains or incorporates by reference, where such incorporation is otherwise permissible, any inconsistent, ambiguous, or misleading clauses, or exceptions and conditions which deceptively affect the risk purported to be assumed in the general coverage of the contract.
Deductible for Wind/ Hail/ Hurricane	Department Requirement	Mandatory wind, windstorm, hail and/or hurricane deductibles are not acceptable.
Disclosure/ Availability of Discounts	Regulation 78-1(2)	The Department requires insurance companies offering personal automobile, personal property and liability coverage to provide notice to insureds on a new and renewal basis that the offering of various discounts by insurance carriers in the Vermont market is commonplace. Please refer to Regulation 78-1(2) for details.
Disclosure / Notice Requirements	Regulation 78-1(1)	The insured must be given written notice when coverage has been modified or eliminated. Please refer to Regulation 78-1(1) which addresses the disclosure of diminution of coverage.
Electromagnetic Radiation/ Field (EMF)	Department Requirement	The Department does not allow the exclusion of electromagnetic and ionizing radiation and/or electromagnetic fields (EMFs).
Filing Standards/ Forms	Title 8, § 3541 Regulation I-2010-03	Forms must be filed with the department via SERFF at least 30 calendar days prior to the proposed effective date. The forms require prior approval by the Commissioner.
Filing Standards/ Rates & Rules	Title 8, § 4684 & § 4688 Regulation I-2010-03	With respect to Homeowners insurance, a competitive market is presumed to exist in Vermont. Every insurer shall file with the Commissioner via SERFF all rates and supplementary rate information and supporting information which are to be used in this State. Filings must be received no later than 15 days after the effective date. See Regulation I-2010-03 for additional details. Underwriting criteria that are used to determine the acceptability of a risk are not required to be filed unless they relate to the standards for placing an applicant within a particular rating tier or otherwise affect the rating of the policy.

Fraud Warnings	Title 8, § 4205	Vermont does not allow a fraud warning to state that a person who makes false statements on an application "commits" a fraudulent insurance act since the question of guilt is a determination for a court. It would be acceptable to use: "Any person who knowingly presents a false statement in an application for insurance may be guilty of a criminal offense and subject to penalties under state law."
Indemnity	Title 8, § 4203	Indemnity is generally not permitted, with the exception of certain specialized coverages. The coverage grant must include a provision that the insurer will "pay on behalf of" the insured.
Intentional Loss Exclusion	Department Requirement	Vermont requires that the interest of any uninvolved insured be protected. The insurer should consider the following language: "We do not provide coverage for the insured who commits or directs an act with the intent to cause a loss." Also, it is not acceptable to exclude loss due to the failure to foresee logical consequences that cause accidents. We will allow the exclusion of willful or malicious acts intended to cause bodily injury or property damage.
Intra-Family Exclusions	Department Requirement	Vermont does not allow broad intra-insured or intra-family exclusions in any personal lines policy. We will consider an exclusion limited to "bodily injury to an insured, caused by the spouse of that insured."
Lead/ Lead Paint	Department Requirement	Loss due to lead or lead paint may not be excluded. An insured may file an Individual Consent to Rate Application if a known hazard exists. Please refer to Bulletin 51 for additional information.
Legal Action/ Suit Against	Title 8, § 3663	The insured's right to bring legal action against the insurer may not be conditioned upon the insured's compliance with the provisions of the Appraisal Condition. It would be acceptable to use: "However, your right to bring legal action against us is not conditioned upon your compliance with the provisions of the Appraisal Condition."
Loss Settlement and Payment Conditions	Regulation 79-2; S6	The Insurer has 15 days to respond to a properly executed Proof of Loss. After settlement has been agreed upon, the Insurer shall mail in agreed amount to the claimant and/or loss payee within 10 working days.

Marijuana/Cannabis Exclusions	Title 8, § 3542	Vermont does not allow property or liability exclusions directly or indirectly attributable to marijuana activities. With regard to marijuana plants, requests for exceptions to the property coverage requirement may be filed with the Commissioner.
Matching Exclusions	Regulation 79-2	Vermont does not allow insurers to exclude matching of exterior or interior partial losses. Please Regulation 79-2, Section 8.A.6. (Revised Eff. 7/1/18).
Misrepresentation & Fraud Policy Language – Voiding Policy	Title 8, § 3879	If an Insured obtains a policy through fraud or material misrepresentation, that policy may be voided. For fraud or material misrepresentation in the presentation of a claim, the claim may be denied, and the policy may be cancelled but not voided.
Mold	Bulletin 141	Total exclusions are not allowed on Homeowners or Dwelling Property/Personal Liability policies. Refer to Bulletin 141 for coverage requirements.
Pools & Trampolines	Title 8, § 3542	The Department does not allow trampoline liability exclusions or the use of sub-limits or restrictions of coverage for losses related to pools or trampolines.
Pollution Liability	Department Requirement	Pollution liability exclusions are prohibited. This prohibition also applies to exclusions for liability losses due to many substances including but not limited to asbestos, lead, silica, MBTE, etc.
Punitive damages	Bulletin 139	Punitive damages may be excluded.
Readability	Regulation I-2010-03	Flesch score minimum is 40, not less than 10-point type, one point leaded.
Roof Exclusions	Department Requirement and Title 8, § 3542	Vermont does not allow roof exclusions.
Roof Settlement/Roof Surfacing	Department Requirement and Bulletin 184	Vermont does not allow the use of limited replacement cost settlement methods for damages to roof surfacing due to windstorm or hail losses. The proposed methods used to calculate the structured settlement percentages include the cost of labor; this violates Bulletin 184. Vermont does not allow the definition of “roof surfacing” to include any materials that are beneath the roof surface when the resulting loss is cosmetic damage.
Social Host Liability	Bulletin 135	Refer to Bulletin 135.

Social Media Exclusion	Department Requirement	Coverage for aggression, harassment, or bullying in any manner of communication is an integral part of Personal Injury coverage, both in the standard Homeowners and Personal Umbrella policies. It is unacceptable to exclude coverage for electronic or internet aggression, harassment, and/or bullying in any form of communication.
Tobacco	Department Requirement	Liability for losses due to tobacco may not be excluded. There are no exceptions.
Uninsured Motorists	23 V.S.A., § 941	Every policy which provides automobile liability coverage in the State of Vermont must include coverage for bodily injury and property damage caused by uninsured or underinsured motorists. This requirement also applies to umbrella and excess policies. The UM/UIM bodily injury limit must be provided at the same limit as the liability bodily injury limit. However, the insured must have the option to reduce the UM/UIM limit to the statutory minimum of \$50,000/\$100,000.
Vermont Amendatory Endorsement(s)	Regulation I-2010-03, Section 7(I)	If a regulatory requirement is satisfied in a previous filing and that filing contains an amendatory endorsement, please provide a copy of the endorsement as a supporting document in future filings.
Wind/ Hail/ Hurricane	Department Requirement 8 V.S.A., §3542	Wind, windstorm, hail, and/or hurricane exclusions will not be approved. Mandatory wind, windstorm, hail and/or hurricane deductibles are not acceptable.