

VERMONT DEPARTMENT OF FINANCIAL REGULATION

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Heat Pump Informational Coverage Summary

The Insurance Division of the Department of Financial Regulation (DFR) has compiled a list of common requirements homeowners insurance companies use when insuring properties with heat pumps. Many insurance companies will not insure homes where a heat pump is the sole heat source. It is very important to check with your insurance company or agent if you are considering installing a heat pump. This document is meant to provide information and should not be used or relied on to determine whether to install a heat pump. **Please contact your current insurance company or agent prior to installing a new heat pump system and ask about any requirements.**

When insurance companies issue policies, they evaluate each risk individually in the underwriting process to decide whether to insure the risk and how much premium to charge. It is a case-by-case analysis that can vary among insurance companies and may change over time.

Insurance companies may require that some of or all the below criteria are met:

- The home has newer heat pumps such as “Cold Climate Air-Source Heat” or “Geothermal” pumps, which are designed to act as the sole source of heat in colder New England climates.
- If the home uses a heat pump, it also has an installed secondary heat source that is not wood heat.
- The heat pump in the home is thermostatically controlled and a whole-house system.
- The house has a thermostatically controlled central heating system as the primary heat source and the heat pump as a secondary heat source.
- For homes where a heat pump or pumps are the primary heat source, that an insurance company review be conducted to ensure that the heating capacity is sufficient and capable of maintaining proper heat throughout the house and that the heat pump is appropriately sized and thermostatically controlled.

DFR also found insurance companies that would insure a property that has a heat pump as the sole heat source in the house.

DFR does not generally regulate what factors that insurers use to assess the risks and benefits of issuing a given policy or require that certain risks be covered in the property & casualty marketplace.

For additional information about heat pumps, please visit the Vermont Department of Public Service Vermont Energy Saver ["Heat Pumps" webpage](#) under its Heating & Cooling Resources for Vermont Homes and Businesses section.