

When you imagine the kind of property that needs [homeowners insurance](#), a single-family home in the suburbs might come to mind, but there are actually eight policy types — or forms — for [different property types](#) and coverage needs.

## Types of homeowners insurance

- **HO-1:** The most basic and limited type of policy for single-family homes, HO-1s are all but nonexistent nowadays
- **HO-2:** A more commonly used policy and a slight upgrade from the HO-1
- **HO-3:** The most common type of homeowners insurance policy with broader coverage than the HO-2
- **HO-4:** A policy type that is specifically for renters
- **HO-5:** The most comprehensive form of homeowners insurance and the second most common policy type for single-family dwellings
- **HO-6:** A type of coverage designed for condo owners
- **HO-7:** The type of policy you get if you own a mobile or manufactured home
- **HO-8:** A special type of homeowners insurance for older homes that don't meet insurer standards for other policy forms

### Key Takeaways

- There are eight main types of homeowners insurance
- Every policy form includes both property coverages and liability coverages, but they also vary in terms of coverage quality and the home types they're intended to cover
- The HO-3 and HO-5 are the most common forms of homeowners insurance for single-family homes

- If you're a tenant in a house or apartment building, you'll need HO-4 renters insurance to cover your personal belongings and liability

## 1. HO-1: Basic Form

Basic form homeowners insurance is the most limited in terms of coverage. Your home and personal belongings are covered at their actual cash value, and it only protects your home and personal belongings against [10 named perils](#), meaning these specific causes of damage or loss:

- Fire or lightning
- Windstorm or hail
- Explosion
- Riot or civil commotion
- Aircraft
- Vehicles
- Smoke
- Vandalism
- Theft
- Falling objects

**As of 2018, HO-1s only made up 1.57% of single-family home policies countrywide, according to the latest data from the National Association of Insurance Commissioners (NAIC). [1] Basic policy forms generally aren't offered by insurance companies anymore.**

## 2. HO-2: Broad Form

[Broad form policies](#) are more common than HO-1s and a definite upgrade from the basic form policy. HO-2s cover the [dwelling](#) (aka your home) at its replacement

cost and [personal property](#) at its actual cash value. It also protects your home and personal belongings against six additional named perils, including:

- Weight of ice, snow, or sleet
- Accidental discharge or overflow of water or stream
- Sudden and accidental tearing apart, cracking, burning, or bulging of a built-in appliance like a water heater or centralized air conditioner or heating system
- Freezing
- Sudden and accidental damage from an artificially generated electrical current, like power surges
- Volcanic Eruption

**As of 2018, HO-2s made up 6.05% of single-family home policies countrywide, according to the NAIC.**

### 3. HO-3: Special Form

An [HO-3 or special form policy](#) is the most common type of homeowners insurance policy on the market, accounting for the vast majority of single-family home policies. HO-3s provide “all-risks” coverage for the dwelling and coverage against the aforementioned named perils for personal property. All-risks, or open-perils coverage, protect against everything *except* the causes of loss specifically outlined in your policy. Commonly excluded perils include:

- Ordinance or law
- Earth movement
- Water damage from flooding, sewer backups, or water that seeps up from the ground
- Power failure
- Neglect

- War
- Nuclear hazard
- Intentional loss
- Government action
- Theft to a dwelling under construction
- Vandalism or malicious mischief (if vacant more than 60 days)
- Mold, fungus, or wet rot (except if it resulted from an accidental discharge or overflow of water)
- Wear and tear
- Mechanical breakdown
- Smog, rust or other corrosion
- Smoke from agricultural smudging and industrial operations
- Discharge, dispersal, seepage of pollutants
- Settling, shrinking, bulging, or expanding of parts of the structure like your foundation or walls
- Birds, vermin, rodents, insects
- Animals owned by insured

By default, HO-3 policies cover your home at its replacement cost and personal property at its actual cash value. Most insurance companies will let you add a replacement cost endorsement to your personal property coverage for a small additional premium.

**As of 2018, HO-3s made up 79.09% of single-family home policies countrywide, according to the NAIC.**

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## 4. HO-4: Contents Broad Form

Better known as renters insurance, HO-4 policies are created specifically for those who lease homes or apartments. Renters insurance covers your personal property both inside the rental property and anywhere in the world. It also covers your [liability](#) (aka legal expenses) and your [additional living expenses](#) if your apartment is damaged and you need to live elsewhere temporarily.

Renters insurance covers the same 16 named perils found in the broad and special form policies. Your personal property is usually covered at its replacement cost.

**As of 2018, HO-4 policies made up 73.84% of condo or co-op tenant policies, according to the NAIC.**

## 5. HO-5: Comprehensive Form

[Comprehensive form homeowners insurance](#) is just what it sounds like, the best and most robust form of single-family home protection. HO-5 policies are very similar to HO-3s, but there are some notable differences:

- With HO-5s, the dwelling *and* personal property are insured at their replacement cost by default. Under most HO-3s, you need to add replacement cost protection for your personal property
- HO-5 policies provide all-risks coverage for both your home and personal belongings. HO-3s contain all-risks dwelling coverage but named perils personal property coverage
- HO-5 policies also include higher coverage limits for expensive types of property with normally strict coverage limits, including jewelry, fine furs, and certain electronics

HO-5 policies are generally for high-net-worth properties in high-risk areas that need additional coverage. If you get coverage through a company like [Chubb](#) and [AIG](#), you're likely getting HO-5 coverage.

**As of 2018, HO-5 policies made up 12.82% of single-family home policies, making it the second most common coverage type on the market.**

## 6. HO-6: Unit-owners Form

Also known as [condo insurance](#), an HO-6 policy is for people who live in a condominium or co-op. The amount of coverage you'll need in your condo policy can vary – it really depends on what's covered by your condo association's [HOA insurance](#).

HOA insurance, or the “master policy”, typically covers the structure of the condo building, the building's common areas, and the structure of your unit before you moved in, but it typically doesn't cover improvements or renovations you've made while living there. You'll likely need enough dwelling coverage in your condo policy to cover the cost of any condo upgrades that you made, like if you installed custom light fixtures. Your condo policy also includes personal property, loss of use, personal liability, [medical payments](#), and [loss assessment coverage](#).

**As of 2018, HO-6 policies made up 26.16% of condo or co-op policies, according to the NAIC.**

## 7. HO-7: Mobile Home Form

[Mobile home insurance](#) is virtually an HO-3 policy but it's designed specifically for mobile homes, which can't be covered under a normal single-family home policy. The type of mobile homes covered under HO-7 policies include, but aren't limited to:

- Trailers, travel trailers, fifth-wheel trailers
- Single-wide manufactured and single-wide mobile homes
- Double-wide manufactured and double-wide mobile homes

- Sectional homes
- Modular homes
- Park model homes and RVs

## 8. HO-8: Modified Coverage Form

HO-8 homeowners insurance is designed for homes that don't meet the insurer standards required for most types of homeowners insurance. For example, you may only be able to qualify for an HO-8 if you live in an older home at high-risk of loss due to aluminum wiring, outdated plumbing, or a roof that's falling apart. You'll likely need to upgrade your aluminum wiring to copper, install new piping, and replace your roof to qualify for an HO-3 policy.

Similar to HO-1 basic form policies, HO-8s are named peril policies that only provide coverage for 10 perils and reimbursement is determined by the home's actual cash value rather than replacement cost.

HO-8 policies are valuable because your home can be covered *without* full updates or a four-point inspection, so if you're intent on keeping the home exactly the way it was when it was first built five generations prior, this policy may be for you.

**As of 2018, HO-8 policies made up just 0.47% of single-family home policies, according to the NAIC.**

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