



# Dwelling Policies Explained

A dwelling policy is used to cover homes that are not occupied by the owner (perfect for rental properties). While all policies vary by insurance provider, there are typically three levels of policies: DP-1, DP-2, DP-3.

## DP-1

- Most Basic Policy
- Only covers the specific perils named in the policy
- Usually the cheapest option
- Only covers Actual Cash Value (ACV)- replacement cost minus depreciation

## DP-2

- A Broader Policy
- Only covers the specific perils named in the policy but covers more than DP-1
- Replacement Cost Coverage- does not deduct depreciation
- Often includes Loss of Rent coverage

## DP-3

**\*\*Highly Recommended**

- Excellent Coverage for Landlords
- Covers all perils except for a small list exclusions listed in the policy
- Replacement Cost Coverage- does not deduct depreciation
- Usually includes Loss of Rent Coverage, Dwelling, Other structures, Personal Property, and Liability