
Additional Living Expense Not Covered for New Standard of Living

Our insured's home is covered under an ISO [HO 00 03 04 91](#) and an [HO 01 20 10 99](#). Both spouses are named on the policy.

The insureds made a claim for fire damage, and the carrier agreed to rent a four-bedroom house to accommodate the family of two adults and four children.

Five weeks into the adjustment process, the wife called to advise that she was leaving the husband and moving to a separate apartment. The husband has two children from a previous marriage, and the wife does as well. Both are now seeking coverage for leased housing—two apartments to accommodate one adult and two children each.

Does the homeowners policy provide coverage for the rental of two apartments? Is the additional living expense coverage based only upon the household arrangements that existed at the time of the loss or does the policy also respond to unplanned changes in the normal standard of living to accommodate the needs of the policyholders?

Is this a reasonable expectation of the insureds? Is the intent of this coverage to pay for the additional living expenses of the insured resulting from covered loss? I can find no wording in the policy that connects "normal standard of living" to the date of loss. The insured's normal standard of living cannot be maintained if the policyholders are forced to live together.

Massachusetts Subscriber

The trigger for additional living expenses is found in the insuring agreement: "If a loss covered under Section 1 makes that part of the residence premises" not fit to live in, the insurer covers any necessary increase in living expenses incurred by the named insured so that the named insured's household can maintain its normal standard of living.

At the time of loss, the insureds were both named insureds under the policy, but at that time the normal standard was that they resided together as man and wife. This being the case, the insurer is not called upon to foresee that they might wish to change this and to pay for what is now a new standard of living.

Also, the additional living expense is available until the dwelling is repaired or replaced or until the household is settled elsewhere. Because it appears to be the wife who has left, she has presumably settled elsewhere, and payment for her expenses can end.

A negotiation could be made to split the money already allocated for the four-bedroom home into two apartments, but the insurer would be within its rights to deny this.