

INSURANCE RECOMMENDATIONS TO OWNERS AND RESIDENTS OF YOUR HOMEOWNERS ASSOCIATION

RESPONSIBILITY OF UNIT OWNERS

Each homeowner should purchase a Condominium Unit Owner's policy, referred to as an HO-6. This policy should cover all personal contents, loss assessments, personal liability, and the following, including, but not limited to:

- A. Personal Property Coverage** – It is suggested that unit owners discuss these values with your Personal Insurance Agent. Purchase personal property coverage equal to the cost to replace all of your furniture, clothing, electronics, washer & dryer and any non built-in appliances such as refrigerator, stove, microwave.

The following endorsements can be bought in addition to your basic policy.

1. Replacement Cost Coverage – today's value
2. Special Perils instead of Named Peril coverage
3. Earthquake - A stand-alone policy can be purchased.
4. Flood coverage – A stand-alone policy can be purchased.
5. Backup of sewers, drains, & sump pump failure - The Association's policy has a \$ 2,500 per unit deductible.
6. Personal Liability - Purchase at least \$ 100,000 The Association policy does not provide Personal Liability coverage for unit owners or tenants.
7. Medical Payments
8. Loss Assessment Coverage - Increase to a minimum of \$10,000. This can cover your monthly assessments in the event of a covered loss. Include the peril for earthquake.
9. Other Endorsements – ask for quotes to schedule your valued personal property such as jewelry, silverware, glassware, fine arts, antiques, cameras, guns and various collectibles. Appraisals are usually necessary.
10. Request insurance premium credits for higher deductibles, discounts for multi-policies, age, burglar and fire alarm systems, smoke detectors, dead bolt locks, and fire extinguishers.

B. "Improvements and Betterments" A minimum of \$ 2,500 is necessary to provide the initial amount (Association Deductible) for which you are responsible.

It is imperative that you discuss YOUR responsibilities with your Agent due to the greater Association deductible amounts that are your responsibility. You must confirm that your HO-6 policy will cover, as a MINIMUM, up to your Association's \$2,500 Deductible.

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RESPONSIBILITY OF THE ASSOCIATION

The insurance policy, which is purchased by Your Association, provides property coverage for the buildings, fences and common area fixtures. Unit owners are responsible for the first \$2,500 in interior damage, which is the policy deductible. Covered property losses are settled on a replacement cost basis subject to the above stated deductibles.

The following, are covered - All Improvements, upgrades and alterations installed inside a unit, by any unit owner such as:

1. Built-in cabinets - kitchen, bath, etc. .
2. Floor coverings, wall-to-wall carpeting, linoleum, tile, etc., are covered. Oriental, and other area rugs are not covered; they are personal property.
3. Plumbing and electrical fixtures such as chandeliers or ceiling fans, kitchen and bathroom fixtures.
4. Built-in appliances such as dishwashers, ranges, and disposals. Stoves and refrigerators, if they are freestanding, are not covered.
5. Coverage is provided for back up of sewers, with a \$2,500 deductible per unit.

All covered property losses are settled on a replacement cost basis subject to a \$2,500 deductible per unit payable by the unit owner.

These deductibles should be covered by your own personal HO-6 policy under "Dwelling/Improvements and Betterments Coverage" and by adding earthquake coverage, to include earthquake loss assessment and earthquake property coverage.

It is imperative that you discuss YOUR responsibilities with your Agent due to the greater Association deductible amounts that are your responsibility. You must confirm that your HO-6 policy will cover, as a MINIMUM, up to your Association's \$2,500 Deductible.

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RESPONSIBILITY OF A UNIT OWNER – RENTING OR LEASING A UNIT

If you own a unit and are renting or leasing the unit, **please review the Responsibility of a Unit Owner** for basic information on coverage you should purchase. In addition, you should purchase the following, including but not limited to:

1. Personal Liability insurance to cover your exposure as owner of the Unit.
2. Loss of Rents or Fair Rental Value coverage, which can protect your rental income, if a covered loss should occur.
3. Protect any of your personal property left in the unit.
4. Require your tenant to maintain their own HO-4 Renters' policy to protect possible liability or medical payments that could arise. They should also purchase "Tenant's Improvements and Betterments coverage if they have made changes to your unit that would fall under the Association's \$2,500 deductible.

RESPONSIBILITY OF A UNIT RENTER

You should purchase an HO-4, Tenant's Policy. Tenants are responsible for insuring:

1. Your own personal property
2. Personal liability and medical payments insurance
3. Loss of use
4. If you are under a land/purchase contract with the owner, loss assessment coverage should be purchased.
5. Purchase "Tenant's Improvements and Betterments" coverage if you have made changes to your unit that would fall under the Association's \$2,500 deductible.

The material presented herein has been abbreviated to give you a clear broad understanding of coverage. This summary is not all-inclusive nor does it alter or waive provisions of the actual Insurance contract. Community Association Insurance & Risk Management is the servicing agent for the Association. Please contact us at 513-936-1270 if you should have any questions concerning Association insurance coverage's.

Owners should review their community Declaration and By-Laws. These documents establish your rights and responsibilities as a homeowner. These documents are available at a nominal cost from your Association's Managing Agent if you do not have them.

All rules and regulations are set up to help maintain the community and good relations between neighbors.

PLEASE BE ADVISED THAT ANY INCIDENT OF A POSSIBLE CLAIM AGAINST THE ASSOCIATION'S POLICY MUST BE PRESENTED TO THE ASSOCIATION.