

# **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** –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, and microwave. The following endorsements can be bought in addition to your basic policy.
- 1. Replacement Cost Coverage** – today's value
  - 2. All Risk instead of Named Peril coverage**
  - 3. Earthquake** - The Association policy has a 5% deductible per building value. Be sure your loss assessment coverage extends to the peril of earthquake.
  - 4. Flood coverage** – A stand-alone policy can be purchased.
  - 5. Backup of sewers, drains, & sump pump failure** - The Association's policy has coverage for Water Backup from Sewers or Drains with a \$2,500 deductible and coverage does not extend to personal items owned by the unit-owner.
  - 6. Personal Liability** - 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.**

**"Improvements & Betterments"** It is suggested that unit owners should purchase at least \$2,500 of coverage. A minimum of \$2,500 is necessary to provide the initial amount (Association Deductible) for which you are responsible. The association's policy covers as originally built. **Any upgrades are the responsibility of the unit-owner.**

**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, the \$2,500 Deductible.**