

## **INSURANCE COVERAGE AT THE VARIATIONS CONDOMINIUM ASSOCIATION:**

### **A. Key information regarding the association's master policy.**

1. The common elements, limited common elements and units are covered.
2. Units are covered based on original condominium plans and specifications. For example, fixtures, cabinets, floor coverings and appliances would be replaced with new items of like kind and quality to those originally installed. Upgrades are not covered. This includes, but is not limited to, upgraded flooring, cabinets, appliances, wall coverings, built-in bookshelves, counter tops, and other permanently installed fixtures.
3. "Special Form" coverage, which includes fire, lightning, windstorm, hail, explosion, riot, aircraft and vehicle damage, smoke, vandalism, falling objects, weight of ice, snow or sleet, collapse, sudden rapid water escape or overflow from plumbing or appliances, frozen pipes, and convector units.
4. No coverage is provided for wear and tear, deterioration, damage by insects or animals, settling or cracking of foundation walls, basements or roofs. There is no coverage for damage caused by repeated leaking or seeping from appliances or plumbing. This includes leaking from around the shower, bathtub, toilet or sink. These events are properly classified as maintenance items. The policy contains full details on coverage, limitations and exclusions.

### **B. Key information regarding a condominium unit owner's insurance needs:**

1. You need a condominium unit owner's policy, also known as an HO-6, to pick up coverage for your personal property, furniture, additional living expenses (in the event your unit is uninhabitable due to a covered claim), all upgrades, improvements and betterments and personal liability.
2. In older communities, it may be difficult to differentiate between the original specifications of your unit and subsequent improvements that were made. In cases where you are uncertain about your needs, consult with your personal insurance agent about adding an estimated amount of insurance coverage to your HO-6, subject to your own deductible, this is also known as improvements and betterments coverage. Ask your personal insurance agent for advice.
3. The association's property damage deductible is \$10,000. Each unit owner may become liable to pay up to the association deductible to cover association property damage for a claim originating in the respective owners unit. For the unit owner to cover the association deductible under the unit owner policy the unit owner needs to discuss

this potential assessment with their personal insurance agent. Insurance carriers handle the master policy property deductible in different ways.

**C. Claims:**

1. If you have a claim, notify our property management company, a board member, and your own homeowner's insurance carrier. Claims that involve your personal property, furniture and upgrades must be submitted to your homeowner's insurance carrier.

**D. Water Damage Claims:**

Water damage claims are the most common claim effecting our association. By preventing water damage claims we save money on insurance premiums, insure the integrity of our property, and protect our property values.

These are a few easy measures all residents can take to prevent water damage claims:

- a) If you plan a vacation during winter time, leave a faucet dripping
- b) Use copper or metal insulated tubing to ice makers
- c) Use insulated hoses as connections to sinks and toilets
- d) Use only licensed and insured contractors
- e) Contact property management before performing repairs or maintenance to pipes or water heaters so they can inform of any new precautions.