

## The Shores Condominium Association Unit Owner Coverage Letter

The Association maintains a master insurance policy. This policy includes **General Liability** (protects the association from lawsuits arising out of the third party injuries), **Directors & Officers Liability** (protects the association from claims or lawsuits against the board), and **Fidelity/Crime coverage** (protects the money in the bank from fraudulent or dishonest acts). The Association also carries property coverage to insure the buildings and finished interiors (including fixtures, all built-in or set-in appliances, cabinets, countertops and initial basic floor coverings as initially installed per the original plans and specifications, including upgrades, betterments & Improvements) for property damage. Some examples of the perils you are insured for are wind, hail, lightening, fire, vandalism, malicious mischief, explosion, and sudden and accidental water damage. There are certain exclusions to the master policy such as your personal property, standard maintenance, items damaged by normal wear and tear or pest (vermin) damage and subsidence.

**The Association has a \$50,000 Water Damage Deductible and a \$25,000 All Other Peril Deductible, which depending on the circumstances of the loss, could be your responsibility as the homeowner.**

While the Association's master insurance policy will cover many insurance needs for unit owners, we strongly encourage every owner to carry a personal condominium unit owners policy (HO-6) for items not covered by the Associations policy.

### What Insurance Coverage does a Unit Owner Need?

- **Personal Property** coverage WITH replacement cost covering your personal belongings as the master association policy does not cover for Unit Owner's personal property.
- **Coverage is provided for the building and the condominium unit, excluding the roofs, for covered causes of loss, subject to the deductible. Coverage is provided back to original specifications and includes betterments and improvements.**
- **Please be sure to notify your personal insurance agent that this association carries a \$50,000 Water Damage Deductible and \$25,000 All Other Peril Deductible so that you are covered in the event you are responsible for that Deductible, or you have a loss sustained within your Unit that is less than the Deductible.**
- **Loss of Use** will pay the unit owners living expense while the unit is not inhabitable due to an insured loss. If your condo is rented out, this coverage will be replaced with Loss of Rents coverage.
- **Loss Assessment** will pay the owners share of a special assessment levied due to an insured loss exceeding the associations master policy limits.
- **Personal Liability** pays for bodily injuries to other people or damage to their property if you are liable resulting from unintentional acts committed by qualified family members including sporting activities and acts of your pets.