

The Overlook at Scottsdale Mountain II Owners 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 as initially installed per the original plans and specifications, EXCLUDING upgrades, betterments & Improvements) for property damage. Coverage is not provided for the finished surfaces of perimeter and partition walls, floors and ceilings within the units, which includes paint, wallpaper, paneling, other finishes, coatings and coverings of walls and ceilings, tile, carpet and any floor coverings. However, floor covering does not mean unfinished hardwood or unfinished parquet flooring. 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 Associations policy carries a \$25,000 Deductible, which depending on the circumstances of the loss, could be your responsibility as the homeowner.

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 Unit Owner's personal property.
- **Please be sure to notify your personal insurance agent that this association carries a \$25,000 Deductible so that you are covered in the event you are responsible for that Deductible or loss sustained within your Unit that is less than the Deductible.**
- **Floor and Wall coverings, building upgrades, betterments and improvements need to be covered by you as an owner to cover any gaps in coverage in the event of loss. Coverage is not provided for the finished surfaces of perimeter and partition walls, floors and ceilings within the units, which includes paint, wallpaper and any coverings of walls and ceilings, tile, carpet and any floor coverings.** The association insurance coverage will be limited to "industry standard materials" of like, kind and quality for the replacement of finished flooring, wall coverings, fixtures and cabinets.
- **Loss of Use/Loss of Rents** 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 to all homeowners in the association 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.