



May 2, 2022

Dear Homeowner:

Effective 5/1/2022, we have the privilege of insuring **Caines Creek Condominium Association**. In order that we can serve you more efficiently, we would like to clarify the coverage and procedures of the Association's master policy.

Association Master Insurance Policy:

The master insurance policy for **Caines Creek Condominium Association** provides coverage for the entire building. Of course, the coverage provided is subject to the terms, conditions, restrictions and exclusions of the actual policy and would only apply to losses that were caused by covered perils or causes of loss.

The Master Insurance policy also provides coverage for any improvements, betterments, additions, alterations or upgrades made within the unit, regardless of who installed them or when they were installed. This is very broad coverage and may be questioned, so please feel free to direct any further questions to our office.

The Association master insurance policy will not respond with coverage until the damage exceeds the deductible. Each unit owner is responsible for this deductible. The Association's master insurance policy contains a **\$10,000** deductible, which is **applicable on a per unit basis for ice damming and water damage**, and **\$5,000 on a per occurrence basis for all other covered perils**. **It is the owners responsibility to insure this amount.**

Condominium Owner's (HO-6) Policy:

The kind of coverage you, as a homeowner, need to purchase is called an HO-6 Condominium Owner's policy. This type of policy will provide most of the coverage you need to buy on your individual home to properly dovetail the Association's master policy.

Your HO6 policy should provide coverage for:

- **The Association's Master Insurance Policy Deductible:** With some HO-6 companies, you need to specify that you want to cover the Association's deductible. Failing to specify might mean your unit owner's insurance policy (HO-6) may not be set up to cover the Association's deductible. We recommend getting something in writing from your HO-6 agent stating that your HO-6 policy will cover the Association's deductible should you be held responsible for it.
- **Personal Property Coverage:** Covers your contents and personal belongings.
- **Loss Assessment Coverage:** Protects you in the event a special assessment is imposed by the Association because the Master policy limits were exceeded.
- **Loss of Use:** Covers the cost you incur to live elsewhere when a covered loss renders your unit uninhabitable.
- **Personal Liability Protection:** Provides liability protection for you personally against claims from third parties alleging bodily injury or property damage.
- **Sewer/Sump Backup coverage** – This coverage is not automatically included on HO-6 policies and may require a special endorsement. PLEASE NOTE: the Master policy coverage for sump could be very limited. Please err on the side of caution when deciding on appropriate limits of coverage for building components on or near a sump system.

Every HO-6 carrier is different so please discuss your particular situation with your Agent to see if they have any further coverage suggestions which might apply to you.



We also suggest a written inventory with photographs of all your property, building, and contents, to help you document your loss under either the HO6 or Association policy. We encourage you and your insurance agent to call if you have any questions.

Additionally, Renters and Investor owners also need to purchase insurance coverage as well. Both need to protect their liability exposure and need coverage for loss to personally owned property. Renters should carry HO-4 (renters) policies and Investors should contact their brokers for how best to protect their investment property. Investor owners should require their tenants purchase an HO4 (renters) policy.

You have the option to obtain coverage for your personal homeowner's policy through our agency. We have been insuring Homeowners Associations since their inception and understand the coverages you need. In addition, our carriers can provide you with the most comprehensive coverage at the most competitive rates. Please contact our Personal Lines Department via our toll free telephone number (877) 742-4678 or via email at PLDept@smithinsurance.com. You can also obtain a free quote online at www.smithinsurance.com by clicking on the "Request A Quote" link on the home page.

Certificates of Insurance

Certificates of Insurance can be obtained in the following methods:

- Directly from our website www.smithinsurance.com: Click on the "Certificates of Insurance Requests" icon towards the top of the screen and fill out the form. Please allow 3-5 business days for processing.
- Email the request to info-smith@bbrown.com and attach the letter from the lender if available so the certificate can be customized to meet mortgagee requirements. Please allow 3-5 business days for processing.
- If have any questions about certificates of insurance, please contact our Certificates Department at (215) 542-5959 x100 or info-smith@bbrown.com.

Claims

If you have a claim, please follow the procedures outlined below to help ensure timely processing of the claim:

- Report the claim to your personal lines insurance carrier as soon as possible.
- Report the claim to building management as soon as possible. You will need to provide management with the date of loss and the cause of loss. If management feels the loss would be covered by the Association insurance policy, they will report the loss to our agency. (**Please keep in mind that the Association has a deductible for each covered loss, that is your responsibility.**)
- Your Association documents may also affect coverage, please review them carefully.

We hope this letter answers your questions. Please call our agency if we can be of further assistance. We look forward to being of service to you and **Caines Creek Condominium Association**.

Sincerely,

SMITH INSURANCE ASSOCIATES

DISCLAIMER: THIS INFORMATION IS MEANT TO BE USED AS A GUIDE IN PURCHASING YOUR PERSONAL INSURANCE COVERAGE'S AND DOES NOT ENCOMPASS ALL COVERAGES YOU MAY NEED. PLEASE CONSULT WITH YOUR PERSONAL INSURANCE AGENT TO DISCUSS YOUR PERSONAL SITUATION AND COVERAGE OPTIONS. NOTHING IN THIS LETTER SHALL CHANGE THE POLICY TERMS, CONDITIONS, WORDING, OR WARRANTIES OF THE ASSOCIATION INSURANCE POLICIES.

