

## **GOLD RUN CONDOMINIUM ASSOCIATION INSURANCE NEWSLETTER**

Annually, your Board of Directors purchases insurance for the condominium association that covers the building, personal property of the association, general liability on the common areas, fidelity coverage, and directors and officers coverage. As unit owners, it is important that you maintain your own insurance to cover unit items that are your responsibility as detailed in your declarations, your personal property and liability exposures that are not covered under Gold Run Condominium Association's master association's insurance policy.

If there were a covered property loss at Gold Run Condominium Assoc, the master association's insurance policy would rebuild the basic structure to the walls including fixtures initially installed. However, according to page 32, section 10.5 of Gold Run Condominium Association's declarations, "furnishings, including carpet, draperies, oven, range, refrigerator, wallpaper, disposal and other items of personal or other property belonging to an owner and public liability coverage within each unit shall be the sole and direct responsibility of the unit owner..." Section 4.14 states, "**An Owner shall maintain and keep the interior, including the fixtures, of his own Unit in good repair. All fixtures and equipment installed within the Unit commencing at the point where the utility lines, pipes, wires, conduits or systems enter the Unit shall be maintained and kept in repair by the Owner thereof.**"

When obtaining an individual unit owner's insurance policy, if living in the unit, you need to obtain an HO6 (condominium owner's) policy. The HO6 should include these four basic coverages: unit coverage, personal property coverage, liability coverage and loss assessment. The unit coverage should cover the amount of improvements done and items specified in the declarations as the responsibility of the owner including carpet, draperies and appliances. Personal property coverage should include all furnishings and clothing. This coverage should be written on a replacement cost basis. Make sure the limit is adequate to cover the replacement of all your furniture, clothing, kitchen wares including dishes, pots and pans, CDs, towels and linens, et cetera. The unit owner needs to purchase liability insurance for anything that occurs within their unit. A limit of \$500,000. is suggested as a minimum but each owner should review their own assets and consider purchasing a personal umbrella. When someone enters your unit, the liability exposure becomes yours. Finally, loss assessment coverage applies if you are assessed by the association for an uninsured claim or the deductible portion of a claim. Most insurance companies are adding a wind & hail deductible to association master policies depending on the age and construction of the roofs. The association can offset this deductible by assessing each unit owner. The loss assessment coverage would pay for the assessed amount, due to a direct loss, minus your personal HO6 property deductible. Most HO6 policies include \$1,000 of loss assessment coverage. Some insurance companies will limit the amount of coverage to \$1,000. if the loss assessment is used to meet the association's deductible. Check with your insurance agent to see what is available.

If renting the unit out, you need to purchase a rental condominium policy (landlord's policy). The landlord's policy should offer unit coverage, personal property coverage, liability coverage as well as loss of rents in the event the unit must be vacated while being repaired/rebuilt.

Take pictures or videos of the inside of your home including closets, your kitchen, et cetera and store them somewhere away from your home. In the event of a loss, this makes claims handling much easier.