

IMPORTANT MESSAGE FROM YOUR BOARD OF DIRECTORS
DO YOU KNOW IF YOU ARE FULLY INSURED IN THE EVENT OF A FIRE LOSS?

Dear Owners:

Given the recent fires taking place in various parts of the country, the Board of Directors requested that management convey information regarding Association insurance coverage. As you know, condominium structural insurance has been difficult to obtain for the past couple of years. The cost of insurance has spiked to unprecedented highs as many insurance carriers are no longer insuring condominium properties in designated fire areas. Please know that your Board continues to pursue replacement cost insurance coverage to the best of their ability in a rapidly changing local construction environment. The Board recommends that owners consider protecting themselves by taking some insurance coverage precautions into your own hands. Please consider discussing with your personal insurance agent the following supplemental insurance options to determine if you are adequately insured in the event of a loss:

Supplemental Insurance Recommendations:

Content Insurance – This insurance will cover your personal contents in the condominium in the event of a loss. The Association does not provide content insurance.

Personal Liability Insurance – The Association maintains a significant general liability insurance policy for accident and injury in the common areas. However, the Association liability insurance does not extend to the unit interior. If you do not already have personal liability insurance, it is recommended you purchase this insurance as soon as possible.

Betterments and Improvements – If your condominium has been remodeled and updated you should purchase supplemental coverage for the costs of the updated improvements. The Association insurance will rebuild the structure to the condition it was originally constructed with code improvements as may be required. The finishes will be of a medium quality price level. Owners who have replaced the original items, i.e. cabinets, carpet, flooring, countertops, kitchen and baths with higher-end products and finishes will need to insure these betterments at replacement cost values to ensure the unit is restored to its current condition in the event of a loss.

Loss Assessments Coverage – This insurance will cover owners if an assessment is required in the event of a loss. The Association will always try to insure the structure for full replacement; however, if for any reason the Association finds itself underinsured and a special assessment is required for reconstruction, this type of insurance will pay your assessment. Usually, a \$100,000 Loss Assessment policy is less than \$100 combined with your other personal insurance.

Rental Insurance – If you rent your condominium, you as the owner are responsible for any loss caused by your renters. It is recommended that you obtain, or require that your renter secure liability insurance to protect you and the Association.

These supplemental insurance coverages are usually very reasonably priced and may give you some peace of mind that your condominium will be rebuilt as you expect under the protection of the Association insurance and supplemented with your personal insurance coverages. Talk with your personal insurance agent to determine if you are fully insured. Please let us know if you have any questions.