

**HIGHLAND LINKS COLONY HOMEOWNERS
ASSOCIATION
APRIL 12, 2016**

Applicable Master Policy Coverages

Blanket Property Limit	\$6,407,047
Replacement Cost Valuation	
All In Insuring Agreement	
Deductible Basic.....	5,000
General Liability Occurrence Limit.....	1,000,000

Condo Unit Owner Policy HO-6

Coverage A – Building Additions & Alterations

- We recommend a minimum limit of **\$30,000**. Coverage should be requested on an all risk basis (or special form) basis. Your Association Master Policy provides for “All-In” coverage and is written with the above captioned multi deductible clauses. Your policy should include coverage for floor coverings, appliances and other personal property not covered in the master policy **AND** any improvements made to the original construction of your unit which exceed \$1,000 and not reported in writing to the Board..

Claims Examples:

- Ice Dam causes \$20,000 in damage to your unit. Your association has a per unit ice damming deductible of \$5,000 deductible. The unit owner would file this claim under their HO6 Coverage A to take care of the deductible. The Association’s policy would pay over that deductible.
- Fire Damage claim of \$30,000 affecting multiple units. Your Association has a \$5,000 deductible per loss. Each unit owner would put this claim in under their

HO6, Coverage A to take care of your portion of the deductible and the association policy would pay over that deductible.

- Roof leaks due to wear and tear issue as roof shingles do need to be replaced. There is \$15,000 in water damage to unit owners' ceilings and walls. The Association policy has an exclusion due to wear and tear. The unit owner can file this claim under their HO6 policy, Coverage A to take care of damage.
- Mold related claim. The association policy has limited mold coverage. Most individual unit owner policies provide for up to \$10,000 in mold damage from a covered cause of loss and up to \$50,000 for liability claims caused by mold.

Coverage C – Personal Property

- This covers personal items within the unit such as TV's, beds, cooking utensils, clothing, furniture etc.
- Be sure to **include** enough coverage for your appliances as there is **NO** coverage for appliances in your association bylaws.

Coverage D – Loss of Use

- Limit is typically 40% of the Coverage A limit and can be increased.
- This coverage provides for certain expenses (food & additional living expenses) associated with a unit that cannot be occupied due to a covered loss.

Coverage E – Personal Liability

- Liability coverage within the unit and limited common areas for which the unit owner has control of. We recommend a minimum limit of **\$500,000** or a higher limit depending on your personal wealth situation.

Coverage F – Medical Payments

- Coverage for medical payments to others that result from a covered loss within the unit itself. We recommend a minimum limit of **\$5,000**.

Loss Assessment

- We recommend a minimum limit of **\$50,000** for Loss Assessment. This coverage will pay up to the policy limit for covered assessments made by the Association to the unit owner for Bodily Injury or Property Damage claims that may not be covered by the Master Policy.

Claims Examples for Loss Assessment:

- Fire damages the common area of a building with multiple units. Each unit owner could be assessed their portion of the deductible. Your association has a \$5,000 deductible. Loss Assessment coverage does have a sublimit of \$1,000 that can apply towards a deductible (also called a deductible assessment).

Flood and Earthquake Coverage is excluded by most policies. Unit owners can purchase earthquake and earthquake assessment coverage. There is also the option of purchasing flood coverage. The association and the individual can purchase these two coverages.

If a unit is rented, different coverage is required such as a **Landlord's Package Policy**.

Melcher & Prescott Insurance is the agent for your association. We believe we are in the best position to not only provide you with the coverage needed to coordinate with the associations master policy, but also in a better position to coordinate convenient claims service. **Please contact Terri Carter in our Plymouth office for a quotation. Telephone is 603-536-2440 or tcarter@melcher-prescott.com**

NOTE: the above is our recommendation based on a review of the association's by-laws, declarations, and insurance contract. With any claim there are situations that can arise which would alter the outcome of the coverage. The insurance company has the final determination in regards to the interpretation of their contract and the settlement of any claim.

Melcher & Prescott Commercial Lines Team