

Hampton Towne Estates

Condominium Association



2023-2024 Unit Owner's Insurance Guide[©]

Presented By The



ELITE CONDOMINIUM
INSURANCE PROGRAM



Applicable Master Policy Coverages

- ★ Blanket Property Limit
- ★ All Peril Deductible
- ★ General Liability Limit
- ★ Company Writing Master Policy:



\$30,188,912
\$10,000 *Per Unit*
\$1,000,000/\$2,000,000
GNY Insurance

What The Master Policy Covers

Per GNY's All-In endorsement, the master policy will respond to claims on an "All-In" basis. Under the "All Inclusive" or "All In" coverage, the condominium association master policy covers all real property in a residential condominium structure, including fixtures in individual units and any *improvements, betterments, or additions* that the individual unit owner has made. It provides coverage to replace a unit to the condition it was in at the time of the loss. With this approach, the unit owner is responsible for covering only his or her personal property under the HO 6 or unit owner's form.

Meshing Your Unit Owners Insurance with the Master Insurance

- ★ Your association is covered on what is called an "All-In" basis. All-in coverage offers the broadest coverage when it comes to insuring a condominium building. It covers the structure of the building, from features that can be used by all the residents to the features only available in the individual units. This type of coverage is purchased by the condominium association, and is outlined in the association's rules and covenants. All-in condo insurance provides a greater level of interior coverage for condominium owners. If a condo's interior is damaged by fire, for instance, the condo community's all-in insurance policy would cover all of its interior elements. All-in condo insurance covers fixtures, installations and additions to the interior surfaces of your walls, floors and ceilings. You'd only need a limited amount of individual homeowners' insurance under a condo community's all-in insurance master policy.
- ★ Each unit owner should have a minimum of \$10,000 in Coverage A (Dwelling Coverage) to cover the master policy all peril deductible and the items outlined in the above section.
 - Many companies will allow for the use of your dwelling coverage towards the master policy deductible or claims below the master policy deductible. However, some will not or will require the addition of the HO 17 34 endorsement. Make sure to ask your agent what your current company's philosophy is on this claim situation. If they do not cover the master deductible, you should switch to a company that does for greater protection against deductible assessments.
- ★ The HO 17 31 and HO 17 32 (Special Coverage Building & Special Coverage Contents) endorsement should be added as it allows for more perils to be covered by switching covered types of claims from "named" to "open" which is preferable.
- ★ Unit owners should carry a minimum of \$50,000 in loss assessment coverage. They should realize that only \$1,000 of this limit can be used for master policy deductible assessments and that *this is not coverage for special assessments that are not the result of a claim from a covered peril.*
- ★ Unit Owners should make sure that their policies contain coverage for the peril of Water Backup of Sewers and Drain (HO 04 95) if available.

Below you will find limits and sample quotes for individual units at Hampton Towne Estates based upon what your current use of the unit is (rental or personal use). Please understand that due to the wide spectrum of unit types and sizes, we recommend that each unit owner determine contents values as well as improvement values. The quote below is what we would consider "boilerplate" and offers many coverages. The ones listed below are the "vital" coverage's that need to be examined regularly.

Base Coverages

- ★ Coverage A (Dwelling) = \$25,000
 - While you truly only need \$10,000 this higher limit protects you in the event that the deductible is increased mid-term without your knowledge and will also cover certain perils that may be limited in the master policy.
- ★ Coverage C (Contents) = \$75,000
 - This limit can vary greatly from owner to owner so we suggest doing a quick inventory to make sure this limit is adequate.
- ★ Coverage D (Loss of Use) = Actual Loss Sustained
- ★ Coverage E (Personal Liability) = \$500,000
- ★ Coverage F (Medical Payments) = \$5,000
- ★ Deductible \$500

Vital Endorsements

- **HO 04 35** (Loss Assessment Coverage) = \$50,000
- **BACKUP OF SEWER & DRAINS** = \$5,000
- **HO 04 90** (Replacement Cost on Personal Property)
- **HO 17 31** (Special Coverage C) broadens covered perils
- **HO 17 32** (Special Coverage A) broadens covered perils
- **HO 17 34** (Unit Owners Modified Other Insurance Service Agreement Condition) Allows for the use of your coverage A towards a claim under the master policies deductible.

Premium for above: \$510.00

Please note that the above figure is approximate only and could be slightly higher or lower depending on items such as Credit Score, Scheduled Jewelry or Claim History. Quote is based on unit occupied by owner as primary home.

If You Rent

- ★ You can add the **HO 17 33** endorsement to your current HO6 policy which deletes the rental liability exclusion in the policy. This is the least expensive way to do this, but also offers the least amount of coverage. Average cost of this endorsement is approximately \$15 and it usually is only used if there is only occasional or incidental rental of a unit. Most companies will not offer this unless it is an exceptional circumstance.
- ★ You can write the policy on a commercial form or BOP (business owner's policy). This is a more expensive option, but also offers you the broadest coverage. With this option, you would have more liability coverage (\$1,000,000 vs. \$500,000), loss of rents coverage and coverage for property damaged by a renter. The loss of rents is a big one as sometimes this can amount to 50-60K in the event of a loss.
- ★ You can also write a rental condominium on what is called a Dwelling Fire Policy. This form is less expensive but generally does not have all of the same coverages offered on the above BOP form. In many cases, this form is also written on an ACV basis (Actual Cash Value) meaning all losses are paid on a depreciation basis which is not as desirable as Replacement Cost.

Premium for above: \$1,200.00 - \$750.00

(Dependent Upon Which Option You Choose)

Any descriptions of coverage, policy forms, or legal documents in this literature are for general information only. Customers and policyholders are hereby advised that Seigney-Lyons does not warrant that forms in this document are your carriers current forms, represent coverage provided to any insured, or are consistent with any present, future, local, state, or federal statutes, administrative rules, or prevailing case law. The descriptions of insurance coverage are general in nature and are not a replacement for actual policy language.



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For Condo Unit & Auto Insurance Quotes

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