

Hampton Towne Estates

Condominium Association



2015-2016 Unit Owner's Insurance Guide©

Presented By The



ELITE CONDOMINIUM
INSURANCE PROGRAM

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Applicable Master Policy Coverages For Unit Owners

✚ Blanket Property Limit		\$15,250,000
✚ All Peril Deductible		\$25,000
✚ Per Unit Ice and Water Deductible		\$1,000
✚ General Liability Limit		\$1,000,000/\$2,000,000
✚ Umbrella		\$5,000,000
✚ Company Writing The Master Policy is: Vermont Mutual		



VERMONT MUTUAL
INSURANCE GROUP

What The Master Policy Covers (See Article VII Section 1.(b) On Page 18)

“All the buildings in the Condominium including without limitation all such portions of the interior of such buildings as are for insurance purposes deemed to constitute part of the building and customarily covered by such insurance such as heating and air conditioning and other service machinery, interior walls, all finished wall surfaces, ceiling and floor surfaces including any wall-to wall floor coverings, bathroom fixtures, including appliances which are affixed to the buildings and heating and lighting fixtures”

WHAT IS NOT COVERED: Personal property, furniture *and additions and alterations made to the unit AFTER the units original occupancy and not reported to the insurer.* These will need to be insured under the unit owner’s insurance policy.

Crucial Unit Owner Coverage’s

- ★ Each unit owner should have a minimum of \$25,000 in Coverage A (Dwelling Coverage) to cover the master policy all peril deductible and per unit deductible as well as the items defining the unit which are not covered by the master policy in the event of a claim.
 - 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.**
- ★ If you or a previous owner have done significant renovations or remodeling to the unit since its original occupancy you should increase your Coverage A Dwelling Coverage accordingly. However, please note that you only need to cover the *difference in value between what was there and what is there now*. For example, if your unit originally had carpet worth \$30,000 and you replaced it with hardwood worth \$50,000 you would need to add \$20,000 in Coverage A to your policy. *(ONLY APPLICABLE IF ADDITIONS AND ALTERATIONS ARE THE RESPONSIBILITY OF THE UNIT OWNER)*
- ★ 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 covered peril.
- ★ If a unit is rented, the insurance for the unit should be done on either a dwelling fire form or a commercial form as there are exclusions in the HO6 (condominium policy) that exclude coverage for business exposures (which rentals would be considered business). It is critical that the policy be written on the correct form for claim purposes.



Below you will find limits and sample quotes for individual units at Hampton Towne Estates based upon your current use of the unit (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 all of the vital coverages needed to ensure that your unit owners policy meshes seamlessly with the master at the time of loss.

Base Coverage's

Coverage A (Dwelling) = \$25,000

Unit owners should take an inventory and make sure that the above limit is adequate.

Coverage C (Contents) = \$75,000

For the above please use the household inventory on the next page to help determine if 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 = \$500.00

Vital Endorsements

HO 04 35 (Loss Assessment Coverage) = \$50,000

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: \$298.00

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.

We Can Also Package Your Auto With Your Unit For A Discount

If You Rent

If you rent out your unit more than 5 weeks a year, you basically have two options due to the rental liability exclusion in the standard HO6 form.

- ★ 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 per unit in the event of a loss. A BOP can insure multiple units on the same policy at significantly lower premiums.

Premium for above: \$450.00



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