

# Hampton Towne Estates

Condominium Association



2018-2019 Unit Owner's Insurance Guide<sup>®</sup>

Presented By The



**ELITE CONDOMINIUM**  
INSURANCE PROGRAM

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# Applicable Master Policy Coverages For Unit Owners

Blanket Property Limit		\$19,433,839
All Peril Deductible		\$10,000 PER UNIT
General Liability Limit		\$1,000,000/\$2,000,000
Umbrella		\$5,000,000
Company Writing The Master Policy is: Greater New York		

## 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.

## Important Insurance Information

- ★ **Your association is covered on what is called an "Single Entity Original Specifications" basis.** Under a "single entity" approach, the condominium association master policy covers virtually all real property in a residential condominium structure, including fixtures in individual units. Note that this coverage does not include any structural improvements, betterments, or additions that the individual unit owner has made. With this approach, the unit owner is responsible for covering only his or her personal property (along with any improvements or betterments) under the HO 6 or unit owner's form.
- ★ 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.**
- ★ If you or a previous owner has done significant renovations or remodeling to the unit since its original construction 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 originally 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.
- ★ 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.
- ★ Unit Owners should make sure that their policies contain the HO 04 95 (Water Backup of Sewers and Drain). Carriers offer varied limits on this coverage with \$5,000 being the average. Some carriers do offer higher limits of \$10,000 to \$50,000 and we highly recommend getting the highest limit possible.



*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

★ Coverage A (Dwelling) = \$10,000

◆ If unit has had improvements and betterments this coverage should be increased accordingly.

★ Coverage C (Contents) = \$75,000

★ 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 95 (Water Backup of Sewers & Drains) = \$5,000 (if available in higher limits take higher limit)

→ 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: \$267.00**

*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.*

### 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 in the event of a loss.

**Premium for above: \$589.00**





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