

# Elizabeth Lofts Condominiums

Policy Period: 2/1/2020 to 2/1/2021

**Policy Deductible: \$25,000**

Current Earthquake Limit: \$92,461,600

EQ Deductible: 5% of Building Value

Welcome to the Hartford Association Master Insurance Program. This fact sheet is designed to assist you in purchasing individual insurance policies, filing claims, and ordering certificates of insurance.

## **Key Information Regarding the Association's Master Policy:**

1. The common elements, limited common elements and units are covered.
2. Betterments, improvements and upgrades made at the expense of the current owner are covered only if each Unit Owner notifies the board of directors in writing of all improvements made by the Unit Owner to his/her unit. These items could include upgrade carpeting, cabinets and appliances as well as wall coverings, built-in bookshelves and other permanent fixtures. This does not apply to retail units.
3. The master policy carries "Special Form" coverage, which includes fire, lightning, windstorm, hail, explosion, riot, aircraft and vehicle damage, smoke, vandalism, falling objects, weight of ice, snow or sleet, collapse, sudden rapid water escape of overflow from plumbing or appliances, frozen pipes, and convector units.
4. No coverage is provided for wear and tear, deterioration, and damage by insects or animals, settling or cracking of foundation, walls, basements or roofs. There is no coverage for damage caused by repeated leaking or seeping from appliances or plumbing. This includes leaking from around shower, bathtub, toilet or sink. These events are properly classified as maintenance items. This policy contains full details on coverage, limitations and exclusions.

## **Key Information Regarding Unit Owner's Insurance Needs:**

1. You should purchase a condominium owner's policy, also known as an HO-6, in order to provide coverage for things such as:
  - Personal property (per Bylaws 9.1)
  - Personal liability: (per Bylaws 9.1) Please note the following example:  
If a hose to your washing machine bursts causing a flood in your unit and adjacent unit(s) - you are financially responsible for damages to all affected units.
  - Additional living expenses (in the event your unit is uninhabitable due to a covered loss), as well as Loss Assessment Coverage.
2. The association master policy carries a deductible. In the event of a claim, the association may seek to recover that deductible from the unit owners involved in the claim. Your responsibility for the deductible may be insured by your individual policy and subject to your own deductible. Some insurers cover the claim under the loss assessment. Ask your personal insurance agent.

### **If You Have A Claim:**

If you have a claim you believe needs to be submitted to the association policy, you must first notify the association manager or a Board member.

- American Benefits, Inc only accepts claims from an association manager or a designated member of the board of directors.
- Claims are not accepted directly from a Unit Owner. A claim that involves your personal property and furniture must be submitted to your homeowner's insurance carrier.
- Policy deductible will be unit owner's full responsibility to pay for damages that involve unit owner negligence.
- Claim payments under this policy are made to your Board of Directors as insurance trustee.

### **Certificates of Insurance:**

Certificates of insurance may be requested by calling (503) 292-1580 or by visiting our website at [www.abicondo.com](http://www.abicondo.com). If your mortgage holder sends you a written request, please send a copy to us: Certificate Department, American Benefits Inc., 4800 SW Griffith Drive. #300, Beaverton, OR 97005.

### **Earthquake coverage – What unit owners should know in order to cover their share in the event of a loss.**

*Although most community associations these days tend to carry a master earthquake policy, individual unit owners often remain confused about what coverage they should carry themselves in order to supplement the earthquake coverage that is provided under the association policy. Here is an explanation of the minimum coverage we recommend.*

1. **Earthquake Loss Assessment Coverage** - The normal loss assessment coverage included in most unit owner policies specifically excludes a special assessment by the board of directors to cover the deductible due to earthquake damage. As a result, it is important that an owner get in touch with their agent or broker and discuss this coverage and ways to include it as part of their own unit owner policy. For example, if the deductible on the master policy is five percent (5%) of the building's value the board of directors generally has no alternative but to levy a special assessment against all unit owners in the association in order to pay that deductible. (\$92,461,600 X 5% = \$4,632,080.) This would then be dispersed to all unit owners per their percentage or ownership. If all unit owners had equal ownership, \$4,623,080 divided among 195 units would equal \$23,708 per unit owner assessment for earthquake. Even if some units are not affected by the earthquake, they will generally still be called upon to pay for their share of the deductible for earthquake damage elsewhere in the association property. As a result, it is important that an owner get in touch with their agent or broker and discuss this coverage and ways to include it as part of their own unit owner policy.
2. **Earthquake Coverage on Personal Property** – Carrying an earthquake endorsement on an individual policy would protect the contents within your condominium unit, such as clothes and furniture against loss due to earthquake (subject to your policy deductible percentage).
3. **Earthquake-"Loss of Use" Coverage** - This section of the unit owner policy would pay out for additional living expenses incurred (hotel, restaurants, etc.) while your condominium unit is uninhabitable because of damage from an "insured peril". This would mean in order for coverage to apply the individual would need to carry the earthquake endorsement on the individual unit owner policy
4. **Earthquake-Building Property Coverage** - This section of the individual unit owner policy would be to cover damaged structural elements of the individual unit which is not insured by the master policy. This could be due to the deductible or building components that are not covered per association documents.

# Questions to Review with Your Insurance Carrier

Does my policy cover damage to my unit in an amount of at least \$25,000? Yes No

Does my Policy separately cover earthquake damage to my unit? Yes No

If yes, what is the coverage limit? \_\_\_\_\_

Does my policy include coverage for my Personal Property? Yes No

Does my policy separately include earthquake coverage for my Personal Property? Yes No

Does my policy cover substitute living expenses after a loss? Yes No

Does my policy cover substitute living expenses after an earthquake? Yes No

Does my policy include Loss Assessment Coverage in an amount of at least \$25,000? Yes No

Does my Loss Assessment coverage separately cover earthquake related assessments? Yes No

Does my policy include Personal Liability protection? Yes No

Please note that the coverage outlined in this letter applies to Association policies insured through American Benefits only. If the association changes carriers, they will need to reevaluate what the unit owner needs to cover.