

DATE: 12/20/2020

TO: Carriagetown Condominiums Homeowners Association

FROM: Carriagetown Condominiums Homeowners Association Board of Directors

RE: HOA Loss Assessment Coverage and HO-6 Policy Information

The Association has acquired a new insurance policy for 2021. The total Building coverage amount for our community is over \$4,000,000. If the Association suffered damage as a result of a large hailstorm or windstorm, the community members would be responsible for a % of the total community value as a deductible. In the event a large loss occurred damaging all homes, each of the owners could be liable up to approximately \$9,500.

We suggest you discuss buying \$15,000 Loss Assessment Coverage Endorsement with your existing insurance agent. Condo-Owner's insurance is called HO-6. The premium cost for this Coverage Endorsement is minimal.

Unit Owners should be aware the additional **Loss Assessment Coverage** on your existing HO-6 policy would help fund the deductible assessment costs listed above if it becomes necessary.

What is HO-6 Unit Owner Policy Coverage?

This policy is designed to cover the interior of your condominium including improvements, personal property and personal liability.

Why do I need HO-6 Unit Owner Policy Coverage?

This policy will protect you against a financial loss by transferring the risk of property damage and liability to the insurance company and in most cases, the cost of a special assessment. For example: a hail storm damaging the exterior and common elements in the community will trigger coverage in your individual policy. Please ask your agent specific coverage information.

Condo Coverage Considerations: *Condominium insurance allows you to select the coverage you want for the things you value most, like:*

- **Your condo** - You're covered for accidental damage to improvements you make in your unit that your association's policy does not cover, up to your condo insurance policy limits.
 - **Your possessions** - Insurance covers your personal belongings too, up to your policy limits.
 - **Your assets** - Condo insurance can help protect your assets from liability claims if you are sued.

Sincerely,

Carriagetown Condominiums Homeowners Association Board of Directors