

IMPORTANT

Master Insurance Policy Information

Dear Condominium Owner:

We would like to clarify the coverage and procedures of the Association's master insurance policy for the Enclave at Belle-Aire Condominiums. We suggest that all Unit Owner's have the information contained in the letter readily available for your insurance agent. If you are purchasing a home within the community it is vital that you have the appropriate coverage and specification of any betterments that were completed in the home since the inception from the builder.

Association Master Insurance Policy

The master insurance policy provides coverage for the buildings and the Association's Liability. The coverage provided is subject to the terms, conditions, restrictions and exclusions of the actual policy and would only apply to losses that were caused by covered causes of loss.

The building coverage is limited under the Association's policy, so every Unit Owner needs to have an HO-6 insurance policy to cover parts of their unit and their personal liability. The coverage afforded by the Association's policy includes those building components such as flooring, cabinets, drywall, etc. within the individual units that were initially installed by the builder prior to the original sale of the unit. All improvements and betterments completed after the original sale of the unit are **not** covered on the Association master insurance policy. However, an allowance will be made for the value of the original items based on the cost to replace with today's dollars. We strongly suggest that you evaluate your coverage with your insurance agent. It is very important to ensure you have the necessary coverage for any upgrades in your home. In the event of a covered loss it would be very helpful if the Unit Owner has documentation of all original specifications provided at the time of construction. Unit Owners should also request coverage for the Association's deductible. The Association's master insurance policy contains a **\$ 5,000** deductible, which is applicable on a per unit basis for ice damming and on a per occurrence basis for all other covered perils.

Owner's HO6 policy should provide the following coverage:

- **The Association's Master Insurance Policy Deductible:** With some HO-6 companies, you need to specify that you want to cover the Association's deductible. Failing to specify might mean your unit owner's insurance policy (HO-6) may not be set up to cover the Association's deductible. We recommend getting something in writing from your HO-6 agent stating that your HO-6 policy will cover the Association's deductible should you be held responsible for it.
- **Real Property Coverage:** Provides coverage for improvements and betterments made to your home after the original sale of your unit, as you are responsible for insuring all unit upgrades.
- **Personal Property Coverage:** Covers your contents and personal belongings.
- **Loss Assessment Coverage:** Protects you in the event a special assessment is imposed by the Association because the Master policy limits were exceeded.
- **Loss of Use:** Covers the cost you incur to live elsewhere when a covered loss renders your unit uninhabitable.
- **Personal Liability Protection:** Provides liability protection for you personally against claims from third parties alleging bodily injury or property damage.
- **Sewer/Sump Backup coverage** – This coverage is not automatically included on all HO-6 policies and may require a special endorsement.
- **Every HO-6 carrier is different so please discuss your particular situation with your Agent to see if they have any further coverage suggestions, which might apply to you.**

Additionally, Renters and Investor owners also need to purchase insurance coverage as well. Both need to protect their liability exposure and need coverage for loss to personally owned property. Renters should carry HO-4 (renters) policies and Investors should contact their brokers for how best to protect their investment property. Investor owners should require their tenants purchase an HO4 (renters) policy.

We also suggest a written inventory with photographs of all your property, building, and contents, to help you document your loss under either the HO6 or Association policy. We encourage you and your insurance agent to call the Association's agent, Smith Insurance at 215-542-5959 should you have any questions.

Certificates of Insurance

If you or your mortgage company need a certificate of insurance as evidence of your home being insured, please visit Smith Insurance website at www.smithinsurance.com. An online form for requesting certificates of insurance can be located by clicking the "Certificates of Insurance" link on the home page. Completing this online form is the quickest and easiest way to obtain certificates of insurance from our agency. If you have additional questions about certificates of insurance, please contact Jan Fusco via telephone (x100) or email (jfusco@smithinsurance.com). She will need the name and address of the mortgage company and a loan number in order to assist you.

Claims

If you have a claim, please follow the procedures outlined below to help ensure timely processing of the claim:

1. In the event of an emergency-first contact a qualified "Emergency Service" who will respond to your needs.
2. Report the claim to your insurance agent and to the management company as soon as possible. You will need to provide management with the date of loss and the cause of loss. If management feels the loss would be covered by the Association insurance policy, they will report the loss to Smith Insurance. (Please keep in mind that the Association has a **\$5,000** deductible for each covered loss.)

We hope this information will be helpful in obtaining the appropriate insurance to minimize any unforeseeable loss.

Sincerely,



Ann Marie Fahringer

Agent for The Enclave at Belle-Aire