

HO 6 – Condominium Owners Policy Overview

Definition: HO-6 provides coverage for the homeowner for building and personal property. However, the dwelling coverage is less extensive due to the Association purchasing insurance to cover the building.

Policy Highlights:

Coverage A: Dwelling Coverage: While the Association maintains building coverage for the Association termed “single entity”. The homeowners policy needs to include this coverage and incorporate the additions and alterations, improvements and betterment’s made by the unit owner or previous unit owner. In the event of a covered loss the Association’s policy and homeowner’s policy merge to make the homeowner whole. (Such as sheet rock damage below the Association’s deductible).

Coverage B: Other Structures: Covers other structures on the residence premises, set apart from the dwelling by clear space (e.g. tool shed, detached garage). This also includes structures connected to the dwelling by only a fence, utility fence or similar connection.

Coverage C: Personal Property: Coverage is defined as and should include such items as the couch, jewelry, clothes, dishes, etc. (All those things you would take with you when you move).*

Coverage D: Loss of Use: If a covered loss makes the unit uninhabitable, the policy covers the living expense that results.

Coverage E: Liability: Protects the insured should a claim be made or suit be brought for damages because of bodily injury or property damages caused by an occurrence for personal liability within the home. The policy will provide defense and pay damages up to the limit of liability for which the insured is legally liable.

Coverage F: Medical Payments To Others: Will pay the necessary medical expenses incurred or medically ascertained within 3 years from the date of the accident causing the bodily injury within the home.

Loss Assessments is defined as a charge by the Association to each homeowner collectively for their share when such an assessment is made necessary by a loss to the Association. Please be sure that the Association deductible is part of your loss assessment coverage.

Important Points:

Homeowners to verify with their agent coverage for water damage, sewer backup and specific Association deductibles.

- *In many policies Coverage C will combine personal property and **additions/alterations** (improvements/betterments) as one limit. Therefore, this coverage limit must represent the full value of your improvements as well as your personal property.*

For More Information Contact:

***Your Management Company
Representative***

or

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Is the Association's Deductible Covered under your present HO-6 policy?

As a leader in insuring Community Association's we at NFP Insurance want to be sure, all of the homeowners within your Community have the appropriate coverages to coincide with the "Association Insurance Policy".

Over the years, many homeowner's insurance carriers have taken a position that the deductible on the Association's policy is NOT part of the claim made to the HO-6 carrier. At NFP, we have relationships with carriers that not only understand HO-6 policies but, due to our specialization and concentration in this area, also understand the Association's policies and coverages.

Both Franklin Mutual and Chubb Insurance have endorsements to their HO6 policy to pick up the Association's deductible. *Chubb will cover up to \$1000.* FMI has an even more comprehensive and competitively priced program. Some of the highlights of their policy are as follows:

- \$10,000 Loss Assessment - (in the event of a covered loss where the Associations policy is inadequate to cover the damage and the Board chooses to assess the homeowners for the difference)
- Covers your share of the Associations deductible. The applicable limit \$1,000 or 10% of the Coverage C limit, whatever is greater. Coverage C is your additions and alterations limit.
- \$5,000 sewer back up coverage
- \$20,000 (up to 12 months) Loss of use - (when your unit is uninhabitable due to a covered cause of loss)
- With a \$500 deductible and a minimum of \$50,000 additions and alterations/contents coverage including all of the coverages listed above, the deductible is approximately \$275.00

For More Information Contact:

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This is only and overview of the policy through Franklin Mutual. If you are interested in getting more details and or a quotation, please contact us and ask for a personal lines representative.