



09/27/2022

## **Where Does The Associations Insurance END and The Homeowner's Insurance BEGIN?**

### **Dear Woodgate Glen Homeowners Association:**

There is always confusion surrounding what the Homeowner Associations' insurance covers and what you as an individual need to have. To help clarify I have compiled a brief explanation so that you are better equipped to purchase your own Personal Insurance, referred to as an HO-6 Policy.

**Step One – Give us a call at 415-382-9714.** We can explain the following information in greater detail. We insure Woodgate Glen so we know exactly what is covered and what is not. We've found that owners are either vastly over insured or have large gaps in coverage. Let us help you tailor your individual coverage to complement the Association's coverage. In the interim, your Associations policy can be summarized in three (3) basic parts:

### **What your Association Covers:**

**1. PROPERTY:** Your Homeowners Association insurance provides coverage for all residential building components including any of the following types of property contained within a residential unit and/or clubhouse. All permanently installed fixtures, appliances, improvements, and alterations that are part of the building or units. **There is a \$50,000 deductible.**

**2. LIABILITY:** With respect to the "Common Area" the Association may become legally obligated to pay for bodily injury or property damage for slip and fall or trip and fall accidents on the Association's common grounds. The Association also has a policy for Directors and Officers Liability that includes coverage for board appointed committee members to cover "wrongful acts" alleged against board members and committee members.

**3. FIDELITY BOND:** This insures the Association dues and reserves from fraudulent acts committed by board members and management personnel.

**Step Two-** Now that you have this information, below are a few recommendations that you need to consider for your Personal insurance. The property piecing together between the insurance for the association and your Personal insurance is critical to avoid any gaps or possible duplication in coverage.

***It will save you money as well!***

### **What Coverage Do You Need?**

**Personal Property:** Insurance to pay for your damaged personal belongings such as furniture and clothing. The association has **no obligation** to cover your personal property under any circumstances.

**Loss of Use/Loss of Rents:** This pays for your living expense or covers your loss of rents when your unit becomes unlivable due to a covered cause of loss. The association has **no obligation** for your extra living expense of Loss of Use for any insurance claim.

**Personal Liability:** This covers you in the event a person wants to hold you responsibility for causing them bodily injury or property. This will protect your assets and can include your family members.

**HOA Deductible Assessment:** Many associations are now assessing their policy deductible to unit owners that file a claim on the HOA policy. Please check with your carrier where you need to add coverage on your policy to cover for this event. Each carrier covers this differently.

**Supplemental Interior Coverage:** Covers damage to the interior of your unit when the claim does not exceed the associations \$50,000 deductible. We recommend a minimum amount of \$50,000.

### **Do you need a Certificate of Insurance?**

We have partnered with [iCerts](http://iCerts.com) . If you receive a request from your lender for an updated certificate of insurance, go to the web site [www.icerts.com](http://www.icerts.com) and follow the directions for "Annual Renewal".