

Harmony Hills HOA

To: All unit owners
From: Board of Directors
Re: Personal Insurance

In event of a major fire or other destruction of common property the master will only replace the building. The interior walls, fixtures and personal belongings within your unit must be covered by your personal insurance. Please review your personal coverage with your respective agents for proper coverage.

Condominium owners have unique insurance needs that are different from the renter and home owner. The master policy purchased by your condo association covers the building structures only for real property owned in common. It also provides for the collective liability of the association. The master policy does not cover your personal property or real property within your unit that is owned separately by you. We recommend that you purchase a Homeowners Condominium Policy (HOCon). Each owner (resident owner, investor or absentee owner) should review their needs in detail with their personal agent.

Personal Property- Inventory of personal effects such as: appliances, furniture, clothing, electronics, and other items are covered as personal property. Establish a value to replace these items. Always ask for "Replacement Cost" coverage.

Personal Articles- Provides coverage for unique items such as jewelry, antiques, and fine art.

Property Coverage- Each owner should take measures to cover the portion of "real property" within your apartment not covered by the master policy. Your real property is usually described in your condominium documents, it can include; decorated interior walls, floor coverings, fixtures, heating and air-conditioning units, and other alterations. (Refer to your documents.) You should consider a minimum of \$60.00 to \$70.00 per square foot for those items owned individually by you. This amount is in addition to any values you have for your personal effects (furniture, clothes, etc.).

Example: 1,000 square foot unit
 $1,000 \times \$60.00 =$ \$60,000 Real Interior property
\$45,000 Personal property
\$105,000 Total

Additional Living Expenses- Provides funds for expenses you may need for temporary living arrangements elsewhere in event of a loss to your condo.

Loss Assessment Coverage- This inexpensive coverage is too often overlooked by unit owners. Each owner should carry at minimum \$10,000 coverage for this under their personal condominium policy. This coverage pays for special assessments for uncovered or large deductible losses under the master policy. It does not cover normal fees or assessments for maintenance of the condominium.

Personal Liability- We recommend that every owner carry a minimum \$100,000 limit for personal liability. Each owner (owner, resident or investor) should review in detail with their insurance agent their insurance needs.

We want all of our owners to be diligent in protecting their personal assets.