

## **What does the Condominium Master Insurance Policy cover?**

**State Farm's Association Policy is written on a Single Entity basis....meaning all building items according to the original plans & any unit owners alterations or improvements that convey with title are considered building items and are covered under Coverage A (Buildings). Therefore, when you contact your insurance agent for your own unit owner's policy you should tell him this. Tell him/her your association policy is not a "bare walls" policy but a policy that covers the unit as it was delivered to you. Also, coverage is provided on a replacement cost basis without deduction for depreciation. I would suggest maintaining a minimum of \$20,000 building coverage though due to your master policy's \$15,000 deductible & to cover any possible gaps in coverage. If your agent has any questions you may have him call me or one of my staff. I have spoken to many unit owners in many associations that have building coverage on their unit owner's policy as high as \$100,000. You just do not need that much coverage. This coverage normally costs \$2.70 per thousand so you can save yourself some money. Caution: although your condominium master policy covers everything, make sure there is no conflict with your current carrier's unit owner's policy and the condo documents if you reduce coverage.**

**Each unit owner is responsible for the personal belongings in their unit (furniture, clothing, etc.) and personal liability coverage. A Condominium Unit Owners Policy (HO-6) can provide coverage for these items in addition to Loss Assessments Coverage.**

**A unit owner informed me recently of another unit owner who had obtained a Homeowner's Policy vs a unit owner's policy. This is not necessary as this would be duplicate coverage at a higher cost & also Homeowner's policies normally do not cover Loss Assessments coverage unless the policy is endorsed to cover this.**

**For those holding units for rental you should obtain a Rental Condo Unit Owners policy which includes Building, Liability, Loss Of Rents, and Loss Assessments coverage.**

**Check with your insurance agent to make sure your unit owner's policy will pay for the Association Policy's \$15,000 deductible in the event this deductible is assessed against you. Some companies have a \$1,000 limit.**

**Your Association's policy was also issued with a 2% Hurricane Deductible Endorsement which means your deductible for wind/hail becomes \$612,342 once the State of Virginia is placed under a hurricane warning or watch. This figure may seem high but in the event the Association suffers a loss over the hurricane deductible each unit owner will be assessed \$4,639 (612,342 divided by 132 units) which should be covered by your unit owner's policy. Make sure your unit owner's policy will cover this type assessment.**

**For questions regarding the Association Policy or for unit owner's coverage please give**

**me or one of my staff a call.**

**Murphy Moore, Agent**

**State Farm Insurance Companies**

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