

Hayden Square Condominium Homeowners' Association
c/o VISION Community Management
16625 S Desert Foothill Parkway
Phoenix, AZ 85048
Phone: 480-759-4945 Fax: 480-759-8683
Email: haydensquare@WeAreVision.com

**IMPORTANT INSURANCE INFORMATION FOR 09/15/15 to 05/01/16
Notice of Change to Association's Property Casualty Policy Effective 9/15/15**

August 5, 2015

Via Certified Mail

Dear Hayden Square Condominium Homeowner,

THE FOLLOWING GIVES IMPORTANT INFORMATION REGARDING YOUR ASSOCIATION'S INSURANCE!

The list below is a summary of the Association's insurance coverage for the period 9/15/15 through 5/1/16, provided by the insurance carrier.

PROPERTY COVERAGE – Master policy with Travelers Insurance

Direct physical loss coverage is provided for the buildings and includes all separate structures owned by the association in the amount of **\$15,100,000.00** and is subject to a **\$10,000.00** deductible per occurrence. Basically, any direct physical loss to a building or separate structure is covered except loss by perils that are specifically excluded. Betterments & improvements are not covered in this policy. Some of the standard exclusions are nuclear war, wear and tear, flood, damage by insects and vermin, inherent vice, subsidence and faulty construction. This is not a maintenance policy and will provide coverage if the building has been damaged by a covered peril as described in the policy.

General Liability: \$1,000,000.00 with Travelers Insurance/\$5,000,000.00 Umbrella with Great American

This **\$6,000,000.00** of liability coverage protects your Association from lawsuits arising out of the injuries that occur within the common areas owned by the Association. This liability does not protect individual unit owners for their liability exposure arising out of the ownership, maintenance, or use of their own individual units.

Director & Officers Coverage: \$1,000,000.00 with Liberty Mutual

This **\$1,000,000.00** of liability coverage protects the board for the cost of defense and claims arising from the lawsuits alleging that the directors had failed to properly perform their required duties

Fidelity Bond: **\$500,000.00** with Great American

These bonds protect only against fraudulent or dishonest acts by the persons named in the policy, generally the board of directors and the community manager. Fidelity bonds **DO NOT COVER** mysterious disappearance, burglary or thefts by outside parties, ordinary mismanagement of funds or overspending.

Please be advised that that **effective 09/15/2015 the Association's property coverage policy will be changing to what is commonly referred to as a "Bare Walls" policy. This means that the coverage maintained by the Association will stop at the unfinished surfaces of the walls, floors and ceilings of the unit interiors.** This decision was based upon extensive analysis of the current coverage, continued increases in the cost of the Association's yearly premiums and consultations with legal counsel. **As a unit owner you are now responsible for**

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property casualty coverage on the interior of your unit (including fixtures, appliances, betterments, improvements, personal property, and floor/wall coverings) in addition to your personal liability. It is recommended that you include enough coverage to replace anything inside your unit including, but not limited to, air conditioning units, cabinets, flooring, wall coverings, fixtures and appliances. It is also recommended that your unit owner policy insure additional living expenses, loss assessment and any gaps in coverage. **Your agent should know and understand that you may be responsible for the \$10,000.00 deductible if a loss results from an area within your responsibility.**

Be sure and contact your personal insurance agent to make sure that you are adequately covered and your coverage coincides with the Association's insurance. Please be advised that, if you fail to procure proper insurance coverage for your unit and all contents therein, there may be a gap in coverage, which could result in extensive repair costs to you in the event of a loss.

If you need a copy of the Association's updated property casualty policy to provide to your personal insurance agent for reference, please contact community manager Evelyn Shanley at eshanley@wearevision.com or 480-759-4945.

Please report all claims immediately to the Community Association Manager. Thank you for your anticipated cooperation in this matter.

Haydn Square Board of Directors