





## LaBarre/Oksnee Insurance Agency, Inc.

IMPORTANT INSURANCE INFORMATION FOR 03/25/17 to 03/25/18

March 15, 2017

Dear Montego Bay Condominium Homeowner,

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

### PROPERTY COVERAGE – Master policy with Hiscox Insurance

Direct physical loss coverage is provided for all units and includes all separate structures owned by the association in the amount of **\$4,769,500.** and is subject to a **\$5,000.** deductible per occurrence. Basically, any direct physical loss to a building or separate structure is covered except loss by perils that are specifically excluded. Additions, betterments & improvements made to the unit are NOT covered. 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 for perils as described in the policy.

### General Liability: \$1,000,000 with Hiscox Insurance / \$5,000,000 Umbrella with Fireman's Fund Ins

This **\$6,000,000** 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 with Liberty Mutual

This **\$1,000,000** 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: **\$125,000** with Liberty Mutual

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

As a unit owner, you are responsible for insuring the contents of your unit and your personal liability. It is recommended that you include enough **Building Additions and Alterations** coverage to replace anything that has been added or upgraded (i.e cabinets, flooring etc). We also recommend 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 **\$5,000** 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. Report all claims immediately to the Community Association Manager. Sincerely,

Mike DiNino  
LaBarre/Oksnee Insurance Agency



## What a Unit Owner Needs COVERAGES FOR YOUR PERSONAL INSURANCE

Almost all condo associations provide basic property coverage for fire, theft and vandalism. These policies will cover the individual units; however, there may be some exclusions. Each year your association is required to mail an insurance disclosure to every owner. It is always a good idea to fax the disclosure to your insurance agent for an annual review of your personal policies.

### The most important coverages for condo owners are:

**Personal Liability** – Pays damages which you are legally obligated to pay because of bodily injury or property damage resulting from an occurrence.

**Umbrella Liability**- Additional liability coverage, available through your automobile policy. *This policy is usually written through your auto policy agent.*

**Personal Property** – Moveable items, such as furniture, clothes, dishes, appliances, computers, etc.

**Building Property** (betterment and improvements) – Any upgrades or improvements made by you after the unit was purchased such as countertops, cabinets and flooring. Be sure to check with your management company to see what exclusions may exist on your master policy, such as floor and wall coverings. It is also a good idea to advise your personal carrier of the Master policy deductible. It may be the unit owners' responsibility to pay for that! Many personal carriers will cover the HOA policy deductible. It is an important Gap to close!

**Loss of use** – Helps with necessary increase of living expenses if you cannot stay in the condo due to a covered loss.

**Guest Medical** – Will pay reasonable charges for medical, surgical, x-ray, dental, etc. resulting from an occurrence on your property.

**Loss Assessment** – Pays for losses in common area of the association that exceed master policies coverage which result in a special assessment to all unit owners equally.

**Earthquake loss assessment** – pays for losses related to the living units in the event of an earthquake that may result in a special assessment to all unit owners equally.

**Jewelry & Art** - high value jewelry and/or collectibles should be covered under a “scheduled or non scheduled floater”.

Compliments of:



**LaBarre Oksnee Insurance Agency, Inc.**