



Dear High Point Condominium Owners Association Unit Owner:

CB Insurance has the privilege of providing your Association's master insurance policy. We appreciate the opportunity to serve your Association and each of you.

Enclosed is a **Unit Owner Packet** for the policy year beginning July 7, 2015 and ending July 7, 2016. It is designed to assist you in understanding the coverage provided in your Association's master insurance policy. It is important to properly coordinate your own Homeowners insurance policy with the master policy. We are available to assist you by phone if you have any questions after reading this information. We are also happy to explain the master policy to your Homeowners insurance agent if you wish for them to contact us directly.

Certificates of Insurance may be obtained online, please refer to the attached Online Certificate Instructions. If you have any questions, please contact our office at (719) 228-1070 or Toll-Free at (877) 855-8442. There is no charge for this service.

Again, thank you for this opportunity to be of service.

Best Regards,

A handwritten signature in blue ink that reads "Kelly Saunders". The signature is written in a cursive, flowing style.

Kelly Saunders  
Commercial Lines Account Manager

Enclosure



## **Unit Owner Packet**

**Designed For:**

**High Point Condominium Owners Association**

July 7, 2015 To July 7, 2016

# FREQUENTLY ASKED QUESTIONS

## 1. What part of the building does the Association cover?

Your unit is insured for full replacement value with no depreciation as long as repairs are made. This includes permanent attachments inside your unit, and extends to improvements or upgrades made by you. For example, the master policy covers paint, wallpaper, wall-to-wall carpeting, cabinetry, countertops, fireplaces, plumbing fixtures, doors, trim work, wood beams, recessed lighting, and ceiling fans. The master policy **does not cover** any of your personal property.

## 2. Are my appliances covered?

Appliances that service the unit, such as central air-conditioning, furnace, hot water heater, garbage disposal, dishwasher, range, refrigerator, washer and dryer are covered by the master policy. Appliances **are not** covered for theft or breakdown.

## 3. What kinds of losses are covered?

Your unit is covered by the Special Causes of Loss form, excluding theft of appliances. This form covers the same types of losses to your unit as the building coverage in a standard Homeowners policy. Some examples are losses caused by fire, lightning, wind or tornado, hail, water damage from sudden rupture of a pipe inside the building, and vandalism. Types of losses that are not covered include, but are not limited to, earth movement, earthquake, flood or subsurface water, mold, wear and tear, and defective construction.

## 4. What kind of insurance do I need to carry?

You are responsible for securing insurance for your own personal property, loss of use, loss assessment, the Association master policy deductible (as assessed) and personal liability. This is best accomplished through purchase of a Condominium or Townhome Unit Owners Homeowner's Policy; often times called a HO-6 policy.

## 5. How are claims handled?

Losses are settled through the Association, subject to the Association's **\$5,000** per loss deductible for losses other than wind and hail and **5%** deductible for wind and hail losses. Your Board of Directors, in compliance with the Association's governing documents and established policies, determines who is responsible for the deductible should a loss occur. Claims should be reported through the Association's Property Manager, or the Association's appointed contact person.

## 6. What is a Wind and Hail Deductible?

The 5% Wind and Hail Deductible means that all wind and hail losses will be adjusted less a deductible that equals 5% of the replacement cost of each damaged building. For example: If an Association has three Buildings damaged by hail, each with a replacement cost of \$250,000, the deductible per building will be \$12,500 (5% of \$250,000 = \$12,500). The total deductible for all buildings will be \$37,500 (3 buildings X \$12,500 = \$37,500). **Unit owners may be responsible for their portion of the 5% Wind and Hail deductible should a loss occur to their unit.**

## FREQUENTLY ASKED QUESTIONS (CONT'D)

### **7. Why do we have a Wind and Hail Deductible?**

The Wind and Hail Deductible is the result of many years of continuous adverse loss history from wind and especially hail. As a result, many of the insurance carriers who historically were willing to provide coverage to Community Associations became unwilling to continue doing so. Many insurance carriers non-renewed all existing Community Association policies and/or quit writing any new policies. The few carriers that continue to provide coverage use the percent Wind and Hail Deductible to do so at affordable premiums. The alternatives would be extremely higher cost or excluding wind and hail damage completely.

### **8. Can unit owners get coverage for the Association's Deductible even if it generates a Special Assessment by the Association?**

Currently there is some confusion and/or disagreement in the insurance industry about if and how unit owners can cover their responsibility for an Association's deductible in their individual Homeowners policies. Customarily, each unit owner is responsible for insuring building items that are not the Association's responsibility, their personal property, their loss of use and their personal liability. This is best accomplished by purchase of a Condominium Unit Owners Homeowners policy, commonly called a HO-6 or Form 6 Homeowners policy. Most insurance carriers' HO-6 policies include two provisions that could apply to cover a unit owner's responsibility for the deductible in their Association's master policy.

The first provision is called Coverage A - Dwelling. The Dwelling provision allows unit owners to cover "items of real property (building items) that pertain exclusively to the residence premises." This is the policy provision that many insurance carriers use to allow unit owners to cover their responsibility for their Association's insurance deductible. Many HO-6 policies automatically include a small amount of Dwelling coverage for no additional charge. If necessary, the Dwelling limit can be increased for a small additional premium.

The second provision is called Loss Assessment. Like Coverage A - Dwelling, most HO-6 policies include a small amount of coverage for Loss Assessment, customarily a \$1,000 limit. Also like Coverage A - Dwelling, the Loss Assessment coverage can be increased for a small additional premium. Some HO-6 carriers limit the amount of Loss Assessment payable for reimbursement of an Association's deductible to a maximum of \$1,000. Loss Assessment coverage only responds when the loss assessment is the result of a claim that otherwise would be covered by the Association's master policy, but is not, because of inadequate limits, or possibly because of a high deductible that must be borne by all unit owners. Loss Assessment coverage does not apply to financial assessments that are not related to insurance claims.

There are many carriers who will provide adequate coverage for a unit owner's responsibility for their Association's deductible. It is strongly recommended that each unit owner contact his/her Homeowners insurance carrier to determine what Dwelling and Loss Assessment coverage is included in their HO-6 policy and how their carrier recommends providing coverage for the deductible.

## **FREQUENTLY ASKED QUESTIONS (CONT'D)**

### **9. Who pays the insurance premium?**

Like other common expenses, the Association budgets for, and pays the premium from the dues paid to the Association by unit owners.

### **10. What is a certificate of insurance?**

A certificate of insurance is a document that identifies those insurance coverages and limits that have been purchased by the Association. The information provided includes, but is not limited to, policy effective dates, policy numbers, insurance carriers, limits of insurance and deductibles. A certificate of insurance is routinely required when a loan exists on your property. Your mortgage holder may ask that you contact us, or they may contact us directly, to request this information. (Please see attached Online Certificate Instructions.)

## Online Certificate Instructions \*NO CHARGE\*

The easy to follow directions are indicated below. If you have questions, please do not hesitate to contact our office at 719-228-1070, or toll-free at 877-855-8442.

*\*\*Please be advised if you have a pop-up blocker installed on your computer you will NOT receive your certificate. Please disable your pop-up blocker by going to the TOOL menu in Internet Explorer. In the Popup Blocker section, choose DISABLE POPUP BLOCKER prior to issuing the certificate in order to receive it. Also, some pop-up blockers give you the option to add specific websites that will allow pop-ups, please add our website.\*\**

- Step 1: Go to [www.centralbancorp.com](http://www.centralbancorp.com)
- Step 2: Select the **Insurance** tab located on the left of the screen; Scroll down to “Insure your assets” select Certificate Instructions.
- Step 3: Click on **Login to the CB Insurance certificate portal to get your Certificate.**
- Step 4: Enter login ID: **CBI**  
Password: **cert**
- Step 5: Click on **Community Association** to access certificate
- Step 6: Enter association name (or part of the association name) and click on the **Search** button
- Step 7: Click on the Association desired
- Step 8: Click on the current certificate name (i.e. **13/14 certificate** or **14/15 certificate**)
- Step 9: Enter Mortgagee Clause (Name & Address of the Mortgage Company) in the **Cert Holder Information** field. The required fields (\*) must be completed.
- Step 10: Scroll down to the **Certificate Specific Portion/ Holder Specific Portion** and type the Unit Owner Name(s), Property Address, and Loan Number into the box.
- Step 11: Scroll down to the bottom of the page and click on **Submit Request** to create the certificate (**this will generate a pop-up box**).
- Step 12: Click on **Certificate** to build the certificate
- Step 13: The Certificate will immediately appear in .pdf form (Acrobat), which can be emailed or printed in your office.
- Step 14: To select another association, click on the **Service Menu** or to exit hit **logoff**.



## Your CB Insurance Service Team

When you have changes in insurance, require claim service, and/or have questions, our team of professionals are qualified and prepared to assist you.

<b>New Business Quotes, Coverage Questions Renewal Questions, Policy Changes, Accounting</b>	
In the event you have a question on insurance coverages provided by your current insurance program, or possible future or projected business endeavors, please contact:	
Ronda Ashley, CPCU Producer	719-477-4264, or ronda.ashley@centralbancorp.com
<b>New Business Quotes, Coverage Questions Renewal Questions, Policy Changes, Accounting</b>	
In the event you have a question on insurance coverages provided by your current insurance program, or possible future or projected business endeavors, please contact:	
Candi Hladek, CISR Commercial Lines Account Manager	719-477-4248, or candi.hladek@centralbancorp.com
<b>Renewal Questions, Policy Changes, Accounting</b>	
To make a policy change, request certificates of insurance or have a question regarding your insurance program during the policy term, please contact:	
Kelly Saunders Commercial Lines Account Manager	719-477-4266, or kelly.saunders@centralbancorp.com
<b>Renewal Questions, Policy Changes, Accounting</b>	
To make a policy change, request certificates of insurance or have a question regarding your insurance program during the policy term, please contact:	
Amanda Grueter Commercial Lines Account Associate	719-477-4252, or amanda.grueter@centralbancorp.com
<b>Certificate of Insurance</b>	
To request certificates of insurance to be sent on your behalf during the policy term contact:	
Certificate Request Line	719-477-4282, or visit our website at www.centralbancorp.com
<b>Claims</b>	
In the event you have a claim or a claim question, please contact:	
Kris Marshek, CISR, AIC	719-477-4257, or kris.marshek@centralbancorp.com
<b>Toll-Free Service Number</b>	<b>1-877-855-8442</b>