

ALL OWNERS ARE ADVISED TO PURCHASE INSURANCE TO COVER THEIR OWN PROPERTY AND IMPROVEMENTS AND LIABILITY WITHIN THEIR UNITS, AND TO SEEK THE ADVICE OF A KNOWLEDGEABLE INSURANCE EXPERT AS TO COVERAGE THAT MAY BE AVAILABLE FOR ADDITIONAL PROTECTION, AS NEEDED, FOR ACCIDENTS IN THE COMMON AREA.. "LOSS ASSESSMENT" COVERAGE, WHICH INSURES THE OWNERS FOR CERTAIN SPECIAL ASSESSMENTS WHICH MIGHT BE IMPOSED AGAINST THEM FOR A LOSS ABOVE AND BEYOND THE APPLICABLE INSURANCE LIMITS, SHOULD BE PURCHASED FOR ADDITIONAL PROTECTION.

DEDUCTIBLE POLICY

THERE EXISTS THE POSSIBILITY THAT A UNIT OWNER MAY BE ASSESSED FOR THE DEDUCTIBLE ON ANY LOSS THAT IS A RESULT FROM:

1. THE ACTIONS OF AN OWNER, HIS OR HER GUESTS, INVITEES, CONTRACTORS, OR TENANTS THAT CREATE A LOSS.

AND/OR

2. THE LOSS IS A RESULT OF A FAILURE OF A COMPONENT THAT IS NOT PART OF THE RESPONSIBILITY OF THE ASSOCIATION OR LIMITED TO ITS COMMON AREA(S). AN EXAMPLE WOULD BE A BROKEN HOSE TO PERSONAL LAUNDRY EQUIPMENT LOCATED WITHIN ANY UNIT, A BROKEN SUPPLY LINE UNDER A SINK, ETC.

MANY HOMEOWNER ASSOCIATIONS ARE INCREASING THE AMOUNTS OF THE DEDUCTIBLES ON THEIR MASTER ASSOCIATION POLICIES IN AN ATTEMPT TO KEEP SKYROCKETING INSURANCE PREMIUMS MINIMIZED. HIGH DEDUCTIBLES, HOWEVER, WHEN PASSED ON TO A UNIT OWNER, CAN CREATE SUBSTANTIAL FINANCIAL HARDSHIP. UNIT OWNERS ARE ADVISED TO CONSIDER THIS LIABILITY AND PLAN FOR DEALING WITH IT IN THE EVENT THAT SUCH A LOSS OCCURS. IT MAY BE POSSIBLE TO PURCHASE INSURANCE COVERAGE TO LIMIT PERSONAL LIABILITY FOR SPECIAL ASSESSMENTS FOR DEDUCTIBLES. PLEASE SEEK THE ADVICE OF A KNOWLEDGEABLE INSURANCE EXPERT.