

Condominium Newsletter

YOUR CONDOMINIUM INSURANCE POLICY IS A STANDARD CONTRACT DESIGNED TO PROTECT AGAINST MOST OF THE LOSS EXPOSURES YOU FACE AS A UNIT OWNER. HOWEVER, YOU MUST REMEMBER THAT IT IS A GENERIC CONTRACT AND NEEDS TO BE CUSTOMIZED TO FIT YOUR INDIVIDUAL NEEDS.

AS YOUR AGENT WE FEEL IT IS OUR RESPONSIBILITY TO MAKE YOU AWARE OF SOME OF THE LIMITATIONS AND OPTIONAL ENDORSEMENTS AVAILABLE ON THE CONDOMINIUM POLICY.

GENERAL INFORMATION

The unique characteristic of condominium ownership is the shared responsibility for maintenance and insurance of the buildings and common areas. In general, you are responsible for insuring your personal belongings and personal liability. The condominium association purchases a master insurance policy to cover the buildings and association liability. However, there are many variations on this concept whereby you assume varying degrees of responsibility for damage to the interior portions of your unit. It is imperative that you determine the exposure before a loss happens and obtain the necessary insurance.

Suggestions

Master Policy Changes

If you receive any correspondence from the condo association with regard to changes on the master policy, please be sure to notify us so we can verify your unit owners policy complements the master coverage.

Amount of Coverage

The most common shortcoming of condominium policies is that people have a tendency to underestimate the value of their personal belongings or do not realize that they have a responsibility to insure the interior portions of their unit. We suggest that you make an inventory of your property. Do not forget to include contents of cabinets and closets. As for the responsibility for damage to the unit we suggest that you check the bylaws or contact the trustees or the building managers to determine what your responsibility is. Incomplete records can impair your ability to settle a claim quickly and efficiently. Some suggestions:

- 1) Keep receipts on expensive or unusual items.
- 2) Photograph or videotape each room as a way to keep permanent record of the items you own.
- 3) If possible keep the records someplace other than at your house.

Appraisals

Appraisals should be updated at least every five years, as jewelry tends to appreciate in value. In the event of a loss, the maximum paid will be the amount your item is scheduled for.

Optional Coverages

Building Coverage

Once you have determined what your exposure is for damage to the interior portion of your unit the coverage can be added onto the policy in increments of \$1,000.

Time Share Condominiums

Your condominium policy contains an exclusion for "owned" time sharing condominiums. Some of our companies can add liability coverage for approximately \$15 per year.

Loss Assessment

The purpose of this coverage is to reimburse you for any loss assessment made against you by the Association as your share of common loss. This type of assessment usually arises when there is a deficiency in the Association policy.

Replacement Cost on Contents

For an additional charge of 35% the policy can be changed to settle personal property losses on a cost new basis rather than the item's depreciated value.

Personal Property Limitations

There are several types of personal property that have limited coverage on the standard condominium policy. Many of these can be increased if necessary. Please see page two of your policy for additional information.

Money, notes & coins	\$200
Securities, tickets, stamps	1,000
Watercraft, outboard motors	
Trailers and equipment (no theft coverage off-premises)	1,000
Trailers not used with watercraft	1,000
Grave Markers	500
Jewelry, watches & furs	1,000
Firearms	2,000
Silverware and other flatware	2,500
Business property on-premises	2,500
Business property off-premises	250

Personal Injury

The standard liability coverage on the condominium policy protects against bodily injury and property damage lawsuits. For an additional charge of \$20 per year, personal injury coverage can be added. This includes claims for libel, slander, and false arrest.

Earthquake and Flood

Damage caused by either of these perils is excluded on the condominium policy. The peril of earthquake can be added at a cost of about \$20 per year per \$25,000 of coverage. Remember, even with the coverage you are subject to a deductible of 5% of the policy limits. Therefore it should be a catastrophic coverage only. The peril of flood cannot be added to the policy, but if you are in a flood zone we can obtain a policy through the Federal Flood Insurance Program.

Losses Not Covered

Your condominium insurance policy covers your property for 16 different perils. However, there are several types of losses that cannot be covered.

Some examples are:

Home Business Exposures

Most policies exclude or limit coverage for home based businesses. Coverage can be obtained by endorsement or commercially.

Watercraft

Although the condominium policy states that there is \$1,000 coverage on boats and their equipment the conditions are so restrictive that you should not rely on this policy for coverage. Boats are more properly covered on a boat insurance policy.

Stereo Equipment in a Car

Slide mount car stereos, tapes, and CD's are not covered while in a car. Also, these items are not covered on an auto policy. The moral is do not leave these items in a car that is unattended.

Miscellaneous Property

Animals, birds or fish
Property insured separately
Motor vehicles, equipment,
and accessories
Aircraft
Property of roomers or boarders

Thank You

Most importantly we would like to thank you for your continued patronage and hope that you will always call us when you have any questions about your insurance needs.

HR Hatch Insurance Agency, Inc.

31 Milk Street

Boston, MA 02109

tel(617)426-3711 * fax(617)482-5109

josiah@hrhatch.com

281 Main Street

Charlestown, MA 02129

tel(617)242-2200 * fax(617)242-2518

wendy@hrhatch.com

website: www.hrhatch.com