

# The Birches

Condominium Association



Unit Owner's Supplement  
Presented By The



**ELITE CONDOMINIUM**  

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**INSURANCE PROGRAM**



## Applicable Master Policy Coverage's For Unit Owners

- + Blanket Property Limit \$33,700,000
- + Deductible \$5,000 all peril
- + Additional Deductibles \$2,500 Per Unit Ice Dam Only (New in 2012)
- + General Liability Limit \$1,000,000/\$2,000,000
- + Umbrella \$5,000,000
- + Company Writing The Master Policy is: Greater New York Insurance Company
- + *Master Policy Covers The Following:* Page 5 Section G. 1. (a) of the Association Bylaws: ...building comprising the condominium including without limitation all such portions of the interior of the building as are for insurance purposes normally deemed to constitute part of the building and customarily covered by such insurance, such as heating and other service machinery, interior walls, all finished wall surfaces and bathroom, heating and lighting fixtures.
- + *Master Policy Does Not Cover:* Unit Owners personal belongings, furniture or electronics. Improvements and betterments made to the unit that are over \$1,000 in value.

## Crucial Unit Owner Coverage's

- + Each unit owner should have a minimum of \$10,000 in Coverage A (Dwelling Coverage) to cover the master policy deductible in the event of a claim that falls beneath that threshold. **It is imperative that unit owners ask their insurance agent to verify that the company currently insuring their unit will cover the master policy deductible in the event of a claim. If they do not, it is highly recommended that they switch to a company that does settle claims in this way.**
  - Some companies offer the *HO 17 34* also known as *Unit Owner Other Insurance Provision Modification* which endorses the policy to allow the unit owners policy to cover the master policy deductible. If this endorsement IS offered, we highly recommend unit owners add it.
- + The HO 17 31 and HO 17 32 (Special Coverage Building & Special Coverage Contents) endorsement should be added as it allows for more perils to be covered by switching covered types of claims from “named” to “open” which is preferable.
- + The master policy covers the original construction of the building at the time of the inception of the condo docs. If a unit owner does significant upgrades after this time to their unit, the reconstruction cost of those upgrades should be included in the unit owner's policy under Coverage A.
- + Unit owners should carry a minimum of \$50,000 in loss assessment coverage. They should realize that only \$1,000 of this limit can be used for master policy deductible assessments.
- + If a unit is rented, the insurance for the unit should be done on either a dwelling fire form or a commercial form as there are exclusions in the HO6 (condominium policy) that exclude coverage for business exposures (which rentals would be considered business). It is critical that the policy be written on the correct form for claim purposes.

## How The Per Unit Deductible Works

Previously, The Birches had carried a \$5,000 all peril deductible only. Under the new policy the association has agreed to, there will be a \$5,000 all peril deductible and an additional \$2,500 per unit ***Ice Dam Deductible***. This deductible only comes into play when the claim being submitted is Ice Dam Damages Only. All other losses will have the \$5,000 all peril deductible only. How this works is simple. Should a building suffer an Ice Dam claim the deductible will be as follows...

***\$5,000 all peril deductible + \$2,500 Ice Dam deductible x number of units affected = Total Deductible***

So as an example, let's say one of the buildings on Plasic Road has an ice dam claim that causes \$30,000 in damages to 2 units. The total deductible would be...

***\$5,000 all peril deductible + \$2,500 Ice Dam deductible x 2 = \$10,000***

Under that same example, let's say only 1 unit was affected. The deductible would be assessed as follows...

***\$5,000 all peril deductible + \$2,500 Ice Dam deductible x 1 = \$7,500***

In most cases if multiple units are involved the association will divide the total deductible between the units involved. What this means to you is that the maximum deductible you will be responsible for as a unit owner will be \$7,500. As long as you carry at least \$7,500 in Coverage A Dwelling on your unit owners policy you will be able to claim this under your HO6 policy minus your own policies deductible.

## Sample Quotes

Below you will find limits and sample quotes for individual units at The Birches based upon what your current use of the unit is (rental or personal use). Please understand that due to the wide spectrum of unit types and sizes, we recommend that each unit owner determine contents values as well as improvement values. The quote below is what we would consider "boilerplate" and offers many coverage's. The ones listed below are the "vital" coverage's that need to be examined regularly.

## Base Coverage's

Coverage A (Dwelling) = \$10,000 *Unit owners should take an inventory and make sure that the above number is adequate.*

Coverage C (Contents) = \$50,000 *Unit owners should take an inventory and make sure that the above number is adequate.*

Coverage E (Personal Liability) = \$500,000

Coverage F (Medical Payments) = \$5,000

Deductible = \$500

## Vital Endorsements

**HO 04 35** (Loss Assessment Coverage) = \$50,000

**HO 04 90** (Replacement Cost on Personal Property)

**HO 17 31** (Special Coverage C) broadens covered perils

**HO 17 32** (Special Coverage A) broadens covered perils

**HO 17 34** (Unit Owners Modified Other Insurance Service Agreement Condition) Allows for the use of your coverage A towards a claim under the master policies deductible.

**Premium for above: \$198.00**

(Please note that the premium for each policy varies based on your insurance score, claim history and other factors)

(Please note as well that if we write your auto insurance the above number can be lowered by as much as 25%)

## If You Rent

★ You can write the policy on a commercial form or BOP (business owner's policy). This is a more expensive option than the Dwelling Fire option many agents use, but also offers you the broadest coverage. With this option, you would have more liability coverage (\$1,000,000 vs. \$500,000), loss of rents coverage and coverage for property damaged by a renter. The loss of rents is a big one as sometimes this can amount to 50-60K in the event of a loss.

**Premium for above: \$400.00**



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