

## OAK BRIDGE CONDOMINIUM ASSOCIATION

### INSURANCE PROCEDURES

Master Policy: Oak Bridge Condominium Association, as stated in Article IV of the By-Laws, maintains Master Policies of casualty and physical damage covering both common areas and facilities and the Units.

A certificate of the coverage maintained on behalf of the Owners' Association can be secured by contacting the current Insurance Agent for the Condominium. When you call you should have the following information available in order to expedite your request:

- 1) Unit Owner's Name and New Buyer's Name
- 2) Number of Unit
- 3) Mortgagee name and complete mailing address
- 4) Loan or reference number

Home Owner Policy: Each Home Owner is required to carry an H06 Policy. It is the sole responsibility of each individual condominium unit owner to insure his/her own personal effects/contents, personal liability, unit improvements and coverage for the Association's deductible. There is a \$5000.00 deductible for the master policy claims and a \$25,000.00 deductible for any claims regarding water either interior or exterior.

All unit owners should purchase an H06 Policy. The coverage must be coordinated between the individual H06 and Master Policy. Your agent will need to know that our Master Policy provides blanket coverage and is written on a single entity basis. It includes installed fixtures, interior walls, appliances and additions including those within a portion used exclusively by an individual unit owner. Installed items include wall to wall carpeting, domestic appliances, wall coverings, cabinets and plumbing fixtures.

We strongly recommend the basic H06 Policy be endorsed to add H032 which extends perils insured against from a "named peril" basis to so called "all risk" coverage although some limitations still remain. The owner should obtain coverage for the Association's deductible. Discuss particulars with your agent. Home owners should also consider H035 –Loss Assessment Coverage.

These comments are intended as a guide for unit owners to assist them in developing a proper personal insurance program. We recommend to all unit owners to review their own personal insurance requirements with their insurance agent.

Investor Units: Liability is the responsibility if Unit Owners. Often liability may be added to the policy covering the investor's primary residence. Investors should also secure coverage for rent loss in the event that a unit becomes inhabitable. The

Master Policy and the Association will not honor any claims for loss of rents. It is also recommended that unit occupants purchase H04 Tenant Homeowners unit Policy.

Insurance Claims Against The Master Policy: The following steps should be followed when damage occurs in a unit in excess of the Association's Master Policy Deductible.

- 1) **Identifying Master Policy Claims:** When a Unit Owner reports damage, a note will be made to the file. The damage will be inspected to assess the approximate cost of the damage. The Unit Owner should notify his/her Homeowners insurance. The Unit Owner is responsible for the Association Master Policy Deductible for items covered by the Master Policy and is also responsible for all personal property, improvements, rent loss, etc. not covered by the Master Policy. If the damage to areas covered by the Master Policy is less than the deductible than the Association steps out of the process and the Home Owner will resolve the issue with his/her individual insurance company.
- 2) **Processing a Master Policy Claim:** The following is a simple guide to filling a claim against the Master Policy.
  - a) Report the damage in excess of \$25,000.00 within 72 hours to the Management Agent. Failure to report claims promptly may result in the claim being denied by the Insurance Carrier. The Association will not honor claims that are denied by the Carrier because of failure to report in a prompt fashion. Unit Owners should notify their insurance carrier at the same time.
  - b) The Management Agent will notify the Association's Insurance Agent of the loss. Should immediate repairs need to be made in order to insure the safety of unit occupants; the Management Agent will secure approval for these repairs from the insurance carrier.
  - c) The Management Agent will instruct the Unit Owner to secure bids to repair the damage. These bids are to be submitted to the Management Agent with a cover sheet itemizing the costs and totaling the same. This sheet must contain the Unit Owner's signature. If the damage is less than the Master Policy Deductible , the Unit Owner need not submit anything further and should deal with his/her own coverage.
  - d) During the bidding and damage assessment process, the Unit owner must work closely both with the management Agent and the Master Policy insurance adjuster in order that the scope of work is agreed upon by all parties prior to commencement of said restoration work.

This includes but is not limited to making the unit available for inspection, securing additional bids should the insurance adjuster request it, and promptly responding to requests made by the insurance adjuster and /or Management Agent. The Board will not be responsible for the timelessness of insurance claims being paid. If a claim payment is delayed, no interest, penalties or other claims will be honored.

- e) In the event there is a dispute, the final approval of costs rests with the insurance company and the Unit Owner must abide by its decision. The Management Agent will work with the Unit Owner and insurance company during this period to finalize the scope of work.
- f) Once it is agreed by all parties what the scope and amount of the claim will be, the Unit Owner will be given permission to commence work. Unit Owners may ask that the Association request payment of the claim in order that the Unit Owner has funds to initiate restoration work. If the insurance carrier forwards this amount to the Association, then the Association may pass the benefit of its early payment to the Unit Owner. The Association will never release more than 50% of the total claim prior to the signing of a release by the Unit Owner.
- g) Final payment will be made when:
  - i. The insurance adjuster has had the opportunity to inspect all repair work.
  - ii. The Association has received the final payment from the insurance carrier
  - iii. The Unit Owner has signed a release.

Board of Directors Approved: 13-Jan-2014