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April 27, 2021

Old Forge Crossing Condominium Association  
c/o Camco Management  
1027 N. Valley Forge Road  
Devon, PA 19333

Re: The Association Master Insurance Policy and the Unit Owners Policy

**PROVIDE A COPY OF THIS LETTER TO YOUR HOMEOWNERS INSURANCE AGENT**

Dear Unit Owners:

Old Forge Crossing Condominium Association has purchased insurance through AssuredPartners. The association purchases a master insurance policy for the association and each unit owner should have a Condominium Unit Owners (HO-6) insurance policy. Outlined below is a description of what is covered by the association policy and what should be covered by your HO-6 insurance policy.

If you do not have a HO-6 policy or if you would like to get a quote based on the requirements of the association's policy, please contact our office and ask to speak to our personal lines agent.

**Association Master Insurance Policy:**

The association master insurance policy provides property coverage for the building on a replacement cost basis with a "special" cause-of-loss coverage form. The association property policy has a \$10,000 per occurrence property deductible for all covered claims. The association master policy will not respond with coverage until the damage exceeds the deductible. Each unit owner is responsible for all damage to their unit that is below the deductible (discussed under Unit Owners HO-6 section).

The building coverage in the master insurance policy includes coverage for originally installed fixtures and equipment in the units. This includes: drywall, paint, carpets, flooring, cabinets, etc., but only those items that were originally installed by the builder. All upgrades and improvements & betterments are the unit owners responsibility, (discussed under Unit Owners, HO-6 section).

Liability coverage for the association common area is also provided by the association master insurance policy. Because this coverage only applies to the association common area, each unit owner needs to have their own liability coverage, (discussed under Unit Owners, HO-6 section).

## **Unit Owners, (HO-6), Insurance Policy:**

Each unit owner should purchase a Condominium Unit Owners Policy, (HO-6 Policy). This policy provides coverage for the building, your own personal contents, liability and loss of use.

The association policy only provides coverage for damage to the building and unit that exceeds the association property deductible. Each unit owner needs to have enough building coverage on their own HO-6 insurance policy to cover the first \$10,000 of damage to items of original specification in their unit as well as damage to all upgrades and improvements and betterments made to their unit from the time it was originally conveyed. Typically, this coverage is provided on the HO-6 policy under “Coverage A-Dwelling”.

Sewer backup coverage should also be requested.

Personal contents includes your clothes, furniture, stereo, television, etc., (any items that you moved into the unit after you bought your condominium unit). This coverage should be provided on an “all-risk” basis with replacement cost coverage. Certain items such as jewelry, silver, etc. should be discussed with your HO-6 agent and properly scheduled on your policy.

Personal liability coverage is also included in your HO-6 policy. You should make sure that this includes personal injury as well as bodily injury and property damage liability. The limit of liability coverage and a possible umbrella liability policy should be discussed with your agent.

Other coverages that you should review with your HO-6 agent include; loss of use, which provides coverage if you cannot live in your unit after a covered loss, and loss assessment coverage.

Unit owners that rent out their unit still need to have property and liability coverage for their unit. Property coverage to cover the building items mentioned above along with coverage for any contents you may have in the unit. This coverage can be obtained by purchasing a Dwelling policy. Liability coverage can be extended from your homeowners insurance policy by adding this unit location to your homeowners policy. You also need to consider loss of rents coverage in the event the unit is not habitable after a covered loss as well as loss assessment coverage.

Unit owners that rent out their unit should also require that their tenants purchase a Tenants Policy, (HO-4) to cover their contents, liability and loss of use. The unit owner should be named as landlord, (additional insured), on the tenant’s policy. This will help protect the unit owner as landlord in the event the tenant is the cause of a loss.

This is a brief insurance description of coverage provided by the master insurance policy and coverage that should be reviewed by unit owners with their condominium unit owners policy, (HO-6), insurance agent. This is not intended as a substitute of the actual terms and conditions of the master insurance policy. You must refer to the actual policy(s) for the specific terms and conditions. Since every HO-6 company is different, you must discuss your insurance situation with your particular agent.

Best regards,

AssuredPartners

**Certificates:** <https://www.assuredpartners.com/BlueBell>