



Insurance Policy Deductible Increase Notification

The Association was faced with yet another significant increase to our annual insurance premium for the upcoming year. In order to limit the impact on monthly condominium assessments, the Board of Directors put the insurance policy out for bid, however, American Family Insurance remained the best value with the most comprehensive coverage for our association. The Board further explored other avenues, such as a higher deductible, to mitigate the increase in assessments. The Board ultimately voted to increase the policy deductible from \$2,500 to \$5,000 per occurrence with the exception of earthquake effective January 1, 2016; limiting the master policy annual premium increase to \$1,000.

What Does This Mean to You?

If you have damage to your unit, such as sewer back-up, a failed water heater, overflowed toilet, etc, **OR** if damage is caused to another unit(s) from water, fire, etc, originating from your unit, you, as the unit owner, will be responsible for the cost of the repairs up to the amount of the deductible. The insurance company will retain the deductible from the insurance proceeds paid to the association, and the association will assess that amount to you in the form of a Special Unit Assessment as allowed by the Declaration of Condominium. Without the proper coverage, you could be responsible for paying the \$5,000 deductible / Special Unit Assessment.

What Can You Do to Protect Yourself? Carry the appropriate coverages on your Personal Insurance Condominium Unit Owners Policy. Your policy should include the following:

- A Loss Assessment Endorsement: This provides coverage for the association's master policy deductible if there is a covered loss that involved a particular unit(s) and the association assess the master policy deductible against the owner. ***Ask your insurance agent about this!***
- Dwelling coverage is needed to cover any betterments and improvements done to the unit by the owner, such as adding granite countertops and hardwood flooring. *If your personal condominium policy is with American Family Insurance and there is a covered loss that affects both policies, the deductible on your personal condominium policy may be waived.*
- Personal Property Coverage for your furnishings and belongings.
- Personal Liability Coverage is recommended to be a minimum of \$500,000.
- Earthquake Coverage
- Sewer Back-Up Coverage *for ground floor units.*

If you have questions regarding your coverages, we recommend providing a copy of this letter to your agent or contact the Association's insurance agent:

Nicole Parker
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