



20 El Camino Real
Redwood City, CA 94062
Phone: 650-654-5555
Fax: 650-654-5550
Lic #0C41304

Notice to Owners Regarding the Need to Carry a “Unit-Owners” policy commonly called an HO6, and Earthquake Loss Assessments Coverage

The master insurance policy that Chinquapin has purchased is very broad and works in conjunction with the HOA responsibilities as outlined in your CC&R's to provide fully adequate limits for all the buildings and appurtenant structures. The Chinquapin CC&R's appear to hold that the association is responsible for all parts of the building structures regardless of whether part of original construction or added later.

As is standard on all homeowner's association master policies, the association's master policy does NOT cover the personal property, loss of use (or rental income) and personal liability of unit owners and their tenants. Whether you live in the unit or rent it out, each owner should carry what is commonly known as an HO6 policy to cover these and other exposures including:

- A. **Building** – The building items such as interior fixtures are all covered by the HOA, but this can cover the master policy's deductible for such losses which may be passed on to you if the damage is all within your unit. That deductible is currently \$10,000, so you should carry at least \$10,000 of “building” coverage on your HO6. The cost of this should be less than \$50 per year.
- B. **Personal property** such as furniture, clothes, etc. This can cover your PERSONAL property on and off premises. This is NOT intended for the personal property of a tenant if you rent out your unit. They must carry a “renter's policy” known as an HO4.
- C. **Loss of use** of your unit should a covered loss occur. This could pay for things such as hotels or rent in a temporary apartment or home after a covered property loss. If you rent your unit to others, this coverage could pay for the **loss of rental income to you** during the repairs.
- D. **Loss Assessments (other than earthquake)** This could pay the unit owners' share of an assessment to cover certain losses to association property that result in an assessment being made by the association due to inadequate insurance. I cannot think of an example where this would be used in the case of Chinquapin because your building coverage is virtually “unlimited” replacement cost.
- E. **Personal liability** covers things such as a guest experiencing a trip and fall injury while visiting you. If you rent your unit to others, this would be used to cover the liability you have to a tenant or their guests who may be hurt while occupying your unit or using the premises. Can be extended to cover wrongful eviction if you rent your unit out.



20 El Camino Real
Redwood City, CA 94062
Phone: 650-654-5555
Fax: 650-654-5550
Lic #0C41304

In addition to these coverage's offered by the standard HO6 unit owner's policy, you can also take a separate policy for losses due to **earthquake** for all of the A, B, C & D exposures described above. And as a part of that, you can purchase **earthquake loss assessments**. It is typically sold as part of the earthquake policy you can buy for your individual unit to cover your personal property or you can buy EQ loss assessments coverage on its own. You can buy it from the same agent or broker you use for your homeowners policy. Depending on which carrier you have your homeowners insurance with, you may be offered an earthquake policy from that carrier or through the California Earthquake Authority.

The **earthquake loss assessments** coverage form can be important even though the association does not carry earthquake insurance. The **earthquake loss assessments** coverage form can help pay the unit owners' share of the assessment made by the association due to an earthquake loss. It is an alternative to possibly coming out of pocket for such assessments.

If you have questions regarding integration of your personal policies with the association's master insurance policies, please feel free to call one of the following staff in our HOA department who would be happy to assist you.

Carolyn Freshour	Coverage & claims questions	650-654-5555 ext 6975
David Gordon	Coverage & claims questions	650-654-5555 ext 6972
Jody Jones	Certificates of Insurance, renewals	650-654-5555 ext 2249
Morgan Manos	Personal lines quotes and integration	650-654-5555 ext 6956



20 El Camino Real
Redwood City, CA 94062
Phone: 650-654-5555
Fax: 650-654-5550
Lic #0C41304

If you need to file a claim because of damage you believe may be covered by the association, please.....

1. Take any immediate action to stop further loss such as turning off water, power, boarding up broken windows, etc.
2. Report as soon as possible to WMC - WMC will then report to us if it appears loss involves the insurance.
3. A claims adjuster will contact you and WMC. The adjuster will outline the process for handling the claim which will usually include having you choose a contractor of your choice and obtaining bids. Those bids will be compared to the "scope of work" and estimate prepared by the adjuster. Payments will then be typically made as progress is made on repairs to the property evidence by contractor invoices being sent to the adjuster. If the damage is inside of your unit, you will need to coordinate the work schedule and access with the contractor since you have control of the unit.
4. Feel free to call the Gordon Insurance office during any phase of your claim for assistance. We can be your liaison with the adjuster or carrier.

Here are the basic obligations of HOA and unit-owner in filing a claim

CHOA agent (General Manager or WMC):

- Will inform Homeowner of damage.
- Will refer the Homeowner to a list of contractors.
- Will inform CHOA Board Member responsible for insurance.
- Will receive claim payments from insurance carrier & distribute funds as they come in.

Homeowner:

- Will manage the repair of the unit.
- Will contract with a licensed contractor for damage repair.
- Will meet with any needed insurance adjuster.
- Will submit bills to CHOA for an audit of expenses prior to payment

*Have Claims or Coverage Questions or want a quotation for your personal coverages
including auto, home, umbrellas?*

Contact the HOA Master Policy Insurance Specialists

Gordon Associates Insurance Services, Inc.

Tel: 654-654-5555 or Toll Free: 877-877-7755

www.GordonInsurance.com