

December 19, 2018

**Re: Condominium Insurance**

Dear Unit Owner:

We have the privilege of providing the insurance for the Pier 3 Condominium Association. The Condominium Declaration determines the insurance responsibilities of the Association and Unit Owners. This letter is offered to clarify your insurance responsibilities so that your coverage properly dovetails with the Association's.

**Association's Insurance**

The Association's Master Policy covers the building structure, common areas and building components within your individual unit, which existed at the time the building was converted to or built as a Condominium and sold to the original owner. Building components would include interior walls, floors, ceilings, cabinets, light and plumbing fixtures, appliances, and floor coverings contained within the unit when sold to the original owner. The Association's policy will not cover and it is the unit owner's responsibility to insure any improvements, betterments, upgrades or additions made within the unit after the original owner purchased it. Coverage for these items not covered under the Association's insurance would be covered under the Additions and Alterations or Dwelling coverage under your Condominium Owners Policy commonly referred to as an HO6.

The Association's policy has a property loss deductible of \$10,000 per occurrence, a \$10,000 per unit water damage deductible and a \$50,000 Earthquake deductible. In certain claim situations, you may be responsible for the entire deductible. In the event you are responsible for the deductible, it typically would be payable under your Additions and Alterations or Dwelling coverage referenced above. Our hope is that the higher deductibles ease the Association's claim occurrences and eventually result in a premium savings.

The Association carries \$1,000,000 of liability coverage and an Umbrella Liability policy providing excess limits of liability coverage. This coverage applies to the common areas. Each unit owner must carry their own liability coverage, which is also provided under an HO6.

**Unit Owners Insurance**

A unit owner must purchase a Condominium Owners Policy commonly referred to as an HO6. A typical HO6 has the following main coverage parts:

- *Additions & Alterations or Dwelling:* This should cover the replacement cost of all improvements, betterments, upgrades or additions made within the unit after the original owner purchased it. It should also include the Association's deductible for those situations where the unit owner may be responsible for the deductible as referenced above.
- *Contents:* Your personal property.
- *Loss Assessments:* Covers your share of an assessment charged against all unit owners. The assessment must be the result of a property loss or a liability claim that would be covered under your HO6.
- *Additional Living Expenses:* Covers the cost of living elsewhere if your unit cannot be lived in after a covered claim due to direct physical damage to your unit.

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- *Liability:* Covers bodily injury or property damage to property of others for which you are legally liable. An Umbrella should be considered which gives you excess liability limits over the limit under your HO6.

Your HO6 can also cover valuable items such as jewelry, furs or silver. We recommend you schedule items of value. Your property coverage should be written on a replacement cost basis without deduction for depreciation. We suggest you keep a written inventory with pictures of your property to help document your loss in the event of a claim.

This is a general summary of coverage under a Home Owners Policy. All coverage is subject to the terms, limitations and conditions of your individual policy and may not provide coverage for all perils including Flood, Earthquake or Sewer and Drain Back Up. You must consult with your own personal agent to determine appropriate limits and coverage. Investor owners and tenants have their own insurance needs which should be discussed with their agent. *You should give a copy of this letter to your personal insurance agent.*

Coverage under an HO6 is relatively inexpensive and we recommend that you err on the side of caution and carry limits that are more than adequate. If you would like us to review these coverages with you and offer an HO6 quote, please contact Susan Dash in our office at 610-667-2244 ext. 233.

#### **Certificates of Insurance**

Your lender may ask you for evidence of the Association's insurance. We are happy to issue a Certificate of Insurance to the requesting party. Please call Kayla Sileo in our office at 610-667-2244, ext. 220 or have the lender fax the request directly to our office at 610-667-6057.

#### **Reporting A Claim**

1. Report any damage or accident immediately to the building management at 215-351-4040. They will consult with Dash & Love as to whether the claim should be submitted under the Association's policy.
2. Always report the incident to your own insurance carrier.

We are happy to assist you with any of your insurance needs. Please feel free to call me if you have any questions. We value your business and thank you for this opportunity to be of service.

Sincerely,  
**DASH & LOVE, INC.**



Kenneth A. Dash

**DISCLAIMER:** This information is offered to assist you in purchasing your personal insurance. It does not encompass all the coverage you may need. This letter does not change, amend or supersede the terms, conditions, exclusions or limitations of your personal or the Association's insurance policies. It does not change, amend or supersede the governing documents of the Association.