

## Issaquah Highlands Community Association – Unit Owner Insurance

Note: This document is to be used as a reference for the attached homes ONLY. It is not considered an exact or complete analysis of any policy, or legal evidence of insurance, as this is not a contract. For specific terms, conditions, limitations & exclusions, please refer to policy forms. Homeowners should also review IHCA's CC&Rs to confirm how policies will interact in a claim.

### HOA Master Insurance Policy – Coverage Information:

- Common elements, limited common elements, and units have coverage.
- Betterments, improvements, upgrades, and alterations made at the expense of the current or previous owner are **not covered**. A few examples include carpeting, flooring, countertops, cabinets, permanently installed appliances, wall coverings, built-in bookshelves, etc.
- The master policy carries "Special Form" coverage which includes fire, lightning, windstorm, hail, explosion, riot, aircraft and vehicle damage, smoke, vandalism, falling objects, weight of ice, snow or sleet, collapse, sudden rapid water escape of overflow from plumbing or appliances and frozen pipes.
- No coverage is provided for losses that are due to issues involving maintenance. Examples include wear and tear, deterioration, damage by insects or animals, settling or cracking of foundation, walls, basements, or roofs, repeated leaking or seeping from appliances or plumbing which could occur around the shower, bathtub, toilet, or sink.

### Unit Owner Responsibility:

As the HOA master insurance policy DOES NOT cover betterments, improvements, upgrades, and alterations (examples of these discussed above), we strongly recommend that each unit owner purchase a personal insurance policy, often referred to as an HO-6 policy, to cover items that are not included under the HOA master policy. At a minimum, the HO-6 policy should include the following:

- **Building/Dwelling Property Coverage**
  - \$25,000 Limit (minimum) to cover the HOA master policy deductible. In the event of a loss, the association will seek to recover the \$25,000 deductible from the unit owner(s) involved. The \$25,000 deductible can be insured under an HO-6 policy which will have a much lower deductible – meaning lower out of pocket costs for you. Standard deductible options are \$500 and \$1,000.
  - Deductible Exception: \$75,000 per unit Water Damage Deductible. 5% aggregate cap to satisfy lender requirements.
  - All improvements, betterments and alterations made by you and/or a previous unit owner must be insured under your individual unit owner's HO-6 policy for full replacement to apply.
- **Personal Property**
  - The limit should include the value of your "contents." Examples are clothing, furniture, televisions, cookware, serving ware, computers, toiletries, linens, and other supplies – everything you would need to buy new to replenish or refurnish your home as it was prior to the loss.
- **Liability**
  - We recommend at least a \$300,000 limit of liability. The premium for higher liability limits is minimal.
- **Loss Assessment Coverage**
  - We recommend obtaining the maximum limit which your carrier offers (normally \$50,000).
- **Loss of Use / Additional Living Expense**
  - As a result of a covered loss, if you must stay elsewhere due to the unit being uninhabitable, this coverage pays the costs for temporary living and other associated extra expenses.

It is advisable that you discuss with your personal insurance agent these recommendations, appropriate limits and deductibles, and other coverages which we did not address (flood, earthquake, earthquake loss assessment, umbrella, etc.) If you would like to speak with our HO-6 specialist to obtain a quote, you may contact Pam Wells at 509.462.7890 or via email at [pam.wells@hubinternational.com](mailto:pam.wells@hubinternational.com).

### Certificates of Insurance:

Certificates of insurance may be requested by faxing 425.485.8489 or via email at [now.info@hubinternational.com](mailto:now.info@hubinternational.com).