

## **8.0 INSURANCE**

Quail Run is required under the Declaration of Trust to carry insurance coverage for the Association's property. The policies are Broad Form, including limits of 100% replacement cost for the land and buildings of Quail Run as originally constructed, excluding personal property and improvements. However, the policies are NOT designed to be "maintenance" coverage, in other words they do provide protection in the case of fire, flood, natural disaster, and other catastrophes, NOT routine wear and tear of the property. If the roof leaks due to wear and tear, this is not a covered loss under the Master Policy. A Unit Owner may however obtain coverage for interior damage under their HO6 policy or, possibly, from a third party causing your loss as, for example, in the case of a water leak from an adjacent unit.

The best possible protection occurs when the Master Policy, including the coverage mentioned above, is coordinated with the individual homeowner's policy (HO6) as supplemental coverage. **It is imperative that ALL homeowners have an HO6 policy including the appropriate endorsements.**

The Master Policy has "first party coverage" in the event of a covered loss. Should a loss occur, the Unit Owner should contact the Management Company immediately. The Management Company will inform the Board and send a "notice of claim" to the Trust's agent. If it is determined that the amount of resulting damage (excluding personal property) exceeds the deductible for the Master Policy (\$5,000.00), and the cause of the loss is covered, a claim will be filed with the Trust's insurance carrier. The Unit Owner should always report the loss to their agent at the time of the loss. If the claim is denied under the Master Policy, it is the responsibility of the Unit Owner to file a claim with their carrier regardless of where the loss originated. Please refer to Appendix 5 for procedures to follow in the event of a loss.

In the event of a loss, with respect to what is covered in the units, the Master Policy covers all permanent components, i.e. walls, ceilings, flooring, appliances, cabinets, HVAC equipment and lines, doors, windows, bathroom fixtures, and plumbing lines, etc.. The Master Policy does NOT cover personal items, or the cost to repair/replace the item that caused the loss, only the resulting damage (for example, the cost to replace the hot water tank that leaked is not covered). If you have upgraded to hardwood floors, granite counter tops, finished the basement area or other similar improvements, you may only be reimbursed up to the cost of replacing materials and components as originally constructed.

To avoid omissions in coverage, Unit Owners are advised to carefully coordinate the insurance of their individual units and the contents with that which is covered by the condominium Master Policy. Questions can be directed to the Management Company or the Trust's insurance agency.

**THE IMPORTANCE OF HOMEOWNERS' OBTAINING PROFESSIONAL ADVICE CONCERNING INSURANCE COVERAGE CANNOT BE EMPHASIZED ENOUGH. Friends may mean well, but they may give you the wrong advice. If you have the wrong insurance or choose not to have an H0-6 insurance policy, you will be personally responsible for the Master Policy deductible of \$5,000.00. Additionally, the Master Policy does not cover any of your personal possessions such as clothing and furniture.**