

Memo: Insurance for Shady Hollow Townhouses Association

Attn: All Owners, Renters, and Landlords

The Schad Agency carries the master insurance policy. This memo highlights coverage provided by the master policy and critical coverage you should obtain.

The Master Policy has a \$5,000* all perils deductible and a 5% wind/hail deductible for all homes and real property for all-risk replacement coverage. The master policy is written in conformity with the Covenants, Conditions, and Restrictions which provides all-inclusive coverage. **The Association can specially assess you for claims under the Master Policy or for claims emanating from your home.*

In addition to the Master Policy (paid for by the HOA) it is highly-recommended that you also have additional coverage as appropriate. This additional coverage is 100% your responsibility to research, obtain and make payment. **Please consult with your personal insurance agent to ensure you are covered correctly** or contact your master policy agents Devon Schad or Rich Schad for consultation or a no obligation quote.

OWNERS, it is recommended that you have ALL of the following types of coverage:

- **\$5,000 Minimum replacement protection for interior real property** – Coverage should be obtained for damages that result below the policy deductible for all real property improvements, betterments and trade fixtures. This would include flooring, cabinets, wall paper, fixtures and the like. *The HOA's Master Policy would not cover this.*
- **Replacement protection for your Contents** – Replacement protection from fire, wind, hail, theft, vandalism, pipe-freezing and other broad-form perils. This coverage would replace items such as furniture, television, clothes, etc. in the event of a loss. *The HOA's Master Policy would not cover this.*
- **Personal Liability** – Provides you, and your family living with you, liability coverage when you're legally responsible for someone's bodily injury or property damage resulting from an accident, negligent acts by you or household members (on or off premises), and the acts of pets. For example, a guest in your home trips and breaks his leg or you injure someone while skiing. *The HOA's Master Policy would not cover this.*
- **Loss Assessment protection** –the HOA can specially assess you for claims under the Master Policy or for claims emanating from your home. To off-set the deductibles we strongly recommend obtaining loss assessment coverage with a limit of not less than **\$11,000**. *The HOA's Master Policy would not cover this.*

[See Page 2 for the recommended coverages for Renters and Landlords]

RENTERS, it is recommended that you have ALL of the following types of coverage:

- **Replacement protection for your Contents** – Personal belongings (furniture, television, clothing, dishes, etc.) of a renter are not covered by the landlord, the landlord’s insurance, or the Master Policy of the HOA.
- **Personal Liability** – Provides you, and your family living with you, Liability coverage when you’re legally responsible for someone’s bodily injury or property damage resulting from an accident, negligent acts by you or household members (on or off premises), and the acts of pets. For example, a guest in your home trips on a throw rug and breaks his leg or you injure someone while playing sports. *This would not be covered by the HOA’s Master Policy and may not be covered by your landlord’s insurance.*

LANDLORDS, it is recommended that you have ALL of the following types of coverage:

- **\$5,000 Replacement protection for interior real property** – *The HOA’s Master Policy would not cover this.*
- **Replacement protection for your Contents** – To cover any contents furnished for the use of the tenant such as furniture (if you rented the condo furnished, for example). *The HOA’s Master Policy would not cover this.*
- **Personal Liability** – To protect you from injuries on the premise to your tenants or guests of the tenant. *The HOA’s Master Policy would not cover this.*
- **Loss Assessment protection** –The Association can specially assess you for claims under the Master Policy or for claims emanating from your home. To off-set the deductibles we strongly recommend obtaining loss assessment coverage with a limit of not less than **\$11,000¹**. *The HOA’s Master Policy would not cover this.*

¹ Loss Assessment Protection

Loss Assessment is one of the most critical coverages you will need on your home. To insure you are not stuck footing the bill if you are assessed for a covered loss make sure your loss assessment will do the following:

- **Has no special limits. Some insurance carriers have a \$1,000 max special limit if used for a deductible. In this scenario, you could be stuck with \$10,000 out of your own pocket if you were assessed the wind/hail deductible**
- **Understand if the loss assessment has a deductible. We offer a policy with a \$0 deductible when accessing loss assessment coverage**
- **Covers special/all-risk perils**

Mortgage Company Requirements

If you currently have a mortgage on your home and your mortgage company is requesting verification of coverage by the master policy, please email the following information to certificate@schadagency.com:

1. How your name(s) appear on the mortgage loan
2. Your property address
3. The name, address, loan number and fax number of your mortgage company

Any questions please call our office at 303-661-0083.

Thanks, Devon Schad and the rest of the Schad Agency team!