

## Loss Assessment Coverage on HO6

The policy that the association has with Acuity Insurance has a 5% wind/hail deductible. This is the same deductible that the original policy that was non-renewed had as well as the most recent policy that we had.

What this means to each of us is that if the buildings are damaged by wind or hail, the deductible is 5% of the dwelling coverage. If the HOA does not have reserves for this loss, they can assess each of the unit owners a portion of the deductible. For the 4 unit buildings the deductible would be \$56,059 or for the 6 unit buildings the deductible would be \$82,561.

There is a way to protect yourself through your own HO6 Condo Policy. This is for insurance losses NOT for regular maintenance to the complex. HOA members typically have Condo insurance and those policies should include "Loss Assessment" coverage. Loss assessment coverage is an endorsement added to a condo policy. If the HOA has to issue an assessment to owners due to an insurance claim, loss assessment coverage may help cover the cost.

Policies normally include \$2,000 Loss Assessment or some other minimal (\$2.00-\$10.00) amount. Coverage is normally available through your insurance company up to \$50,000 for a minimal premium, roughly \$2.00-\$10.00.

Please contact your Condo Insurance agent or insurance company to discuss the coverage that you have and what options are available. It's generally a good idea to obtain the maximum amount available.

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