



## Eastern Point Condominium Trust

### *Unit Owners' Policy*

The following has been compiled by Bouvier Insurance, the insurance agent for Eastern Point Condominium Trust master insurance policy, as a guide to you, the individual unit owners, as to what the Association's Master Insurance Policy covers and what the agency suggests that you purchase for your own protection.

#### **PROPERTY INSURANCE**

A Condominium Package Policy issued to the Association is written on a "Guaranteed Replacement Cost" "Special Form" basis with a combined blanket limit, subject to a \$25,000 basic deductible, \$50,000 per unit ice damming deductible, \$50,000 per unit water damage deductible, \$50,000 per unit sewer backup deductible.

The Master Policy provides coverage on the Buildings and Common Property. This includes the finished sheetrock and flooring within your units as well as any permanent attachments (e.g. furnaces, stoves, kitchen cabinets, etc.). Essentially, the policy will restore the units back to their original construction and specifications, including any improvements made to the unit, using readily available materials of like kind and quality.

The master policy does not provide coverage for losses caused by lack of care or maintenance or those caused to happen over a period of time. This includes such causes of loss as frozen pipes due to failure to maintain heat and water seepage from wood rot or deteriorated foundations. During the winter months, be sure that your heat is maintained at all times.

**Additional Exposures Not Covered** - Because of the exclusions in the Condominium Package Policy, unit owners should obtain individual insurance to cover some or all of the following possible exposures (and any others which may be necessary to meet their individual requirements):

- Loss of or damage to household goods and other personal property of the unit owner, including jewelry, furs, etc.
- Costs associated with obtaining temporary housing should the unit become uninhabitable due to a covered loss (also called "Loss of Use" coverage)
- Personal liability of the unit owner
- Loss-related assessments levied by the association against unit owners. For example, the Association may seek to recover the master policy deductible from owners relating to a loss that occurred to common elements. This is called "Loss Assessment" coverage and is offered under a condo unit-owners policy
- Loss of rental value (in case of units used for rentals)
- Damage caused by flooding or seepage of water through foundation walls





It is suggested that unit owners purchase a Condominium Owners Policy (Form HO-6) in order to provide coverage on your personal property.

**GENERAL LIABILITY**

The following coverages apply to the property of the Association and also protect individual unit owners to the extent of the coverage provided.

- Bodily Injury and Property Damage Liability
  - \$1,000,000 Combined Single Limit per Occurrence
  - \$1,000,000 Products and Completed Operations and
  - \$1,000,000 Personal Injury and Advertising Injury

General Liability coverage is for injuries that are sustained on Common Property. However, if an individual should become injured inside a Unit, then the unit owner would be responsible. A Condominium Homeowners Policy (HO-6) provides coverage for personal liability exposures.

**EXAMPLES OF COVERED LOSSES**

The following are examples of the types of losses that are covered under the master policy as well as the extent of coverage provided:

<b>Loss</b>	<b>Extent of Coverage</b>
Fire destroys several units and common area hallways.	The common areas and units, including appliances, permanent fixtures, and any improvements or betterments would be rebuilt/replaced by the master policy subject to the association deductibles. Personal property of the unit owners would not be covered.
Pipes freeze in winter causing water damage to several units.	Same as above UNLESS heat was not maintained in the unit, in which case any damage to the unit in which heat was shut off is not covered. Coverage would exist for damage to adjacent units.
Someone slips and falls in the parking lot or other common area.	The master policy will provide coverage for the injured party as well as defense costs on behalf of the association. Note that injuries occurring INSIDE a unit are NOT covered under the master policy and are the responsibility of the owner of the unit in which the injury occurred.
Mold is discovered above a ceiling or inside a wall of a unit due to an ongoing leak that was never discovered.	No coverage is provided for damage due to lack of maintenance or as a result of an ongoing problem. In general, coverage is afforded for losses that are sudden and accidental, not for those that occur over a long period of time.





*These coverage recommendations are intended for owners that occupy their units only. If your unit is rented to others, please contact us so we can discuss your coverage options.*

## Coverage Recommendations for Unit Owners of Eastern Point Condominium Trust

All unit owners should carry an HO-6 (unit-owners) policy for a number of potential exposures that are not covered by the master policy.

**Dwelling Coverage:** Due to restrictions in coverage under the master policy, the Association declarations, and/or state regulations, the unit owner may be directly responsible for repairing damages to their unit. The “Dwelling” coverage portion of the unit owner policy would respond to this loss. As such, we recommend dwelling coverage limits of at least \$50,000 to address these situations.

**Personal Contents:** Your contents, such as furniture, electronics, and clothing, are also not covered by the master policy and should be insured personally. Minimum limits start at \$20,000 and can be increased.

**Loss of Use:** Should a covered loss occur that renders a unit uninhabitable, expenses associated with obtaining alternative housing are NOT covered by the master policy. Such expenses are covered by each unit owner’s HO-6 policy under the “Loss of Use” coverage.

**Personal Liability:** If a claim is made or suit filed because of bodily injury or property damage caused by an occurrence for which the insured is legally liable, this coverage will apply. Owners should obtain at least \$500,000 of Personal Liability coverage.

**Loss Assessment:** Covers loss-related assessments levied by the association against all unit owners. For example, the Association may seek to recover out of pocket expenses for losses not covered by the master policy by virtue of coverage limitations or limits of insurance being exhausted. We recommend carrying a limit of at least \$25,000 which may be increased based on your individual coverage needs.

**Water and Sewer Back-up:** This covers losses due to back-up of sewer and water pipes that lead from the street into your unit. This is not automatically part of your unit owner policy and must be added.

*To receive a no obligation HO-6 quote, please visit our website [www.binsurance.com](http://www.binsurance.com)  
or call our office at 860-232-4491.*

