

Davidson Bay Insurance Summary

The following is a summary of insurance requirements. Please refer to the Covenants for full details. All homeowners are advised to discuss their insurance needs with their insurance agent.

The Association is responsible for maintaining insurance coverage for common areas and for all townhomes within Davidson Bay. The Davidson Bay master insurance policy covers each of the buildings that make up our community. A building is comprised of contiguous (that is, attached) townhomes, of which there are a total of 21. (There are also 9 additional “buildings” that are separate garage structures for some of the townhomes.)

The insurance provides “all risk” replacement cost coverage for each building and, in addition to the structure itself, includes items normally incorporated into residential structures such as fixtures, cabinets, appliances, and wall and floor coverings. *It does not include any personal property such as clothing, furniture, electronics, or your teddy bear.*

Each building has a \$10,000 deductible per occurrence, meaning that this insurance is intended for catastrophic loss. Each homeowner suffering a covered loss is responsible for paying the deductible. In a situation where multiple townhomes within a building are damaged, the Association will apportion the deductible among the units as equitably as possible.

Despite being an all risk policy (a somewhat misleading insurance term), the master policy has some important exclusions. These include:

- Wear and tear, and normal deterioration
- Intentional acts on the part of the insured
- Earthquake, earth movement, settling, and sinking
- Flood
- Inherent vice and vermin (termites, for example)
- Other exclusions as specified in the policy

In the case of flood, Davidson Bay is located in a low-risk flood zone and homeowners can purchase flood insurance from FEMA for a reasonable cost.

The Covenants require that each owner maintain liability coverage of at least \$100,000 and a minimum property and casualty coverage in the amount of the master policy deductible (\$10,000). (See the Covenants for full information.) Most homeowners will get a policy that also includes personal property. This type of policy is usually referred to as an HO-6 Unit Owners (condo) policy. The Association can provide a copy of the Master Policy Declaration, if needed, and homeowners should review it with their insurance agent to make sure they are adequately covered.