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.

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 <u>not</u> include any personal property such as clothing, furniture, electronics, or your teddy bear.*

There is a $10,000 deductible per occurrence ($10,000 per building for wind and hail), meaning that this insurance is intended for catastrophic loss. A homeowner suffering a covered loss is responsible for paying the deductible. In a situation where multiple townhomes are damaged, the Association will apportion the deductible among the affected units as equitably as possible.

Despite being an "all risk" policy, 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.

Our insurance policy is underwritten by W.R. Berkley Company (A.M. Best A+ rated). If you need to get a Certificate of Insurance (often required by mortgage companies and other lenders), you can obtain one by using this link and following the instructions on the page:

https://ecmins.com/client-resources/request-condo-hoa-certificate/