

# Lakeshore Association

A Private Residential Community on Lake Michigan

## Condominium Unit Owner's Insurance

Co-owners liability insurance coverage is required. If you rent your unit at any time, you must purchase a rental condo unit owners policy. If you do not rent your unit, you must purchase a separate HO-6 policy on your unit, or a liability extension from your primary residence policy. The required minimum liability amount is \$100,000. However, a \$300,000 coverage amount is only approximately \$10 to \$15 more a year.

It is also important to have Lakeshore Condominium Association named as an additional insured. Please have your insurance agent mail a certificate of insurance and additional insured statement to the office at:

Lakeshore Condominium Association  
3628 Lakeshore Dr.  
St. Joseph, MI 49085

If a Co-owner is renting their unit, it is highly recommended they require the tenant to purchase an HO-4 renters' policy. It is the responsibility of the Co-owner who rents their unit to protect their personal property and obtain liability coverage in the event of a loss.

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## The Association Master Insurance Policy

One of the major goals of the Board of Directors is to control cost and keep your association fees as low as possible. Our condominium insurance premiums continue to rise. The current 2024 cost is \$38,000 with a \$5,000 deductible.

The Association carries a master insurance policy coverage for fire and extended coverage, vandalism, miscellaneous mischief, liability insurance, workers compensation insurance, and if applicable, pertinent to the ownership, use and maintenance of common elements of the condominium.

In the event of a covered loss in your unit that is caused by a common element, the association will reimburse you for your deductible up to \$250.

### **Things to keep in mind:**

1. The Association will only extend coverage to claims related to the building structure and foundation. For example, if there is a fire or busted pipe in your unit the association policy may not fully cover the damage.
2. In addition, the Master Association Policy may not provide coverage for the following:
  - Floor coverings of any kind within a unit above the upper surface of the subflooring such as carpeting vinyl goods or hardwood.
  - Wall coverings of any kind within a unit, such as paint, texture, wallpaper, paneling, or permanently mounted mirrors.
  - Appliances within a unit such as those used for refrigerating, ventilating, cooking, dishwashing, laundering, securing, or housekeeping.
  - Any improvements, additions, betterments, and alterations within a unit that are now a part of the building or structure, but which are not a part of the original condominium plans or specifications.
3. Loss Assessment Provision: The HO-6 and rental condo policy provide a loss assessment provision. If there is a covered loss, the HO-6 or rental condo policy will pay your portion of the master policy deductible.
4. The Association's policy is only used for huge catastrophic losses.

Should you have any questions, please contact the property manager at 269-429-4481 or e-mail at stjoelsca@gmail.com. Please share this information with your insurance agent.

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## Co-Owner Condo Insurance Needs

Lakeshore Condominium Association (LCA) continues to implement recognized Condominium Association practices with respect to protecting the financial stability of the association. Risk Management (measures to minimize the effect(s) of liability claims & lawsuits) is a fiduciary responsibility of the Association (LSA). Therefore Co-Owners need to have the proper insurance coverage in force for their unit (s), and the Association needs to receive verification of **liability** insurance in force for each of the 121 association units.

### What You Need To Do

Co-Owner Renting Status	Type of Insurance Needed	Co-Owner Action	Documents Needed For Office
Co-Owner does not rent unit	Condo (HO-6) Policy	If you have not already done so, you will need to purchase a Condo (HO-6) policy for your unit. This protects the Co-Owner and the Association from Liability claims.  Your Personal Liability Umbrella policy from your permanent residence " <b>will not</b> " extend coverage to your condo unless you have a Condo (HO-6) policy.  Please discuss this matter with your insurance agent	Provide a "Certificate of Insurance" and/or designate:  Lakeshore Condominium Association  3628 Lakeshore Dr. St Joseph, MI 49085  as an <b>Additional Insured (AI)</b> .
Co-Owner rents unit some of the time or year around	<u>Co-Owner</u> – Rental Condo Unit Owners Policy – HO-6 condo policy during the time unit is not rented  <u>Tenant</u> –Renters (HO-4) Policy	A Rental Condo policy provides Co-Owner protection against Tenant property damages, and/or liability Claims.  * A Condo (HO-6) Policy " <b>Excludes</b> " Tenant property damage and claims Liability*.  Co-Owner should require all tenants to obtain a Renters ( HO-4) Policy. This protects the tenant and the Co-Owner  Co-Owner(s) should require tenant(s) to provide them or the rental agent a "Certificate of Insurance"	Provide a "Certificate of Insurance" and/or designate:  Lakeshore Condominium Association  3628 Lakeshore Dr. St Joseph, MI 49085  as an Additional Insured (AI) on the Condo Rental Policy.

NOTE 1: Several Units are rented. The Association recognizes the increased maintenance expense, and the increased liability exposure resulting from our Tenant exposures.

NOTE 2: A Co-Owner renting a unit that has a HO-6 policy, is subject to claim denial and/or exclusion by their insurance company. A Rental Condo policy is necessary.

ADDITIONAL INSURED (AI) - The "AI" is only executed when OR if a Co-Owner is deemed to be negligent or liable for Property Damage or Personal Injury. The "AI" extends liability coverage to the Association.

Approved by the Board of Directors 3-7-15.