

**Sunset Shores AOA Board Approves**  
**Association Water Damage Deductible of \$50,000**

Dear Owner,

This notice is to notify you that **as of 4/10/2024 the Association's Water Damage Deductible will increase from \$25,000 to \$50,000.**

This level of deductible was raised due to the losses and availability of insurance for the association.

This deductible change can have a significant effect on your own HO6 coverage or personal financial assets, since in accordance with the association's declaration and The Hawaii Revised Statutes 514B-143, (d) The board, in the case of a claim for damage to a unit or the common elements, may:

- (1) Pay the deductible amount as a common expense
- (2) After notice and an opportunity for a hearing, assess the deductible amount against the owners who caused the damage or from whose units the damage or cause of loss originated; or**
- (3) Require the unit owners of the units affected to pay the deductible amount**

With this higher deductible under the association's policy, it is recommended that each unit owner contact their insurance agent for their HO6 policy and discuss if there are adequate limits to handle the higher deductible. **Since various insurance carriers handle the assessment of a deductible differently, it is very important to discuss with your insurance agent if your coverage limits will need to be increased to adequately handle the \$50,000 water damage deductible.**

If a unit owner does not have an HO6 or similar insurance policy, the potential for an assessment of a **\$50,000 water damage deductible** to any unit from which a loss should originate, is significant and a very important reason to carry insurance.

Recommended **HO6 MINIMUM** coverage is as follows:

- Dwelling                      \$50,000 + cost of improvements and alterations
- Loss Assessment        \$50,000
- Personal Liability        \$300,000

**Please contact your own HO6 insurance agent and give them a copy of this letter to make sure that your current policy has adequate limits to provide coverage for this AOA deductible.**

The Board is confident that all owners will recognize the benefit of this requirement and will comply as required.

Thank you in advance for your cooperation in this important matter.

Sincerely,

Sunset Shores AOA Board of Directors