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January 5, 2026

Re: Grande at Rancocas Creek Condominium Association – HO6 Unit Owners Insurance

Dear Resident,

We have prepared an insurance program to meet your Association's needs. This portfolio includes Property Coverage, General Liability, Directors and Officers Liability, Fidelity Bond Coverage, and Umbrella Liability. We have highlighted the property portion of your Association's program to assist you with purchasing your own HO6 Unit Owners insurance for your home.

Your association's buildings are insured on a Replacement Cost form, subject to policy limitations and standard exclusions. **The master policy basic policy deductible is \$25,000.**

The scope of the Association's building coverage reads "**Walls In Up to Builders Original Specifications, NOT Betterments or Improvements.**" This means that your master coverage includes *all property and fixtures in the units, as originally constructed by the builder in accordance with the Association's original plans and specifications, exclusive of all upgrades, betterments, or improvements.* *

As individual homeowners, you should purchase an **HO-6** condo unit owners policy. This policy should cover the following items:

- 1) **Building/Property:** This section of your HO6 Unit Owners policy covers those parts of your unit not covered by the Master Association policy, which would be the value of upgrades and alterations not original to the unit, and any damages to a unit that fall under the \$25,000 master deductibles. *(For example, you or a previous owner replaced the unit's original carpet with hardwood flooring. You would insure the value of the upgraded flooring.)*
- 2) **Personal Property:** Coverage for all personal belongings such as furniture, kitchenware, electronics, clothing, etc. *(For example, A storm breaks a window in your home, letting rain in to soak your furniture. Your HO6 policy would cover the cost of replacing the damaged furniture.)*
- 3) **Personal Liability:** Protects you and your family members' assets from lawsuits if you are found negligent and liable for injury or damages, whether you occupy the unit or rent it to a tenant.
- 4) **Loss of Use/Additional Living Expense:** If your condo becomes uninhabitable due to damage from a loss, loss of use coverage reimburses you for the extra expenses you incur to maintain your regular standard of living. You should consider a limit large enough to last you for a full year or greater. *(For example, a fire occurs in your condo, leaving you without a place to live. Loss of use coverage will pay for your living expenses at a different location while its being repaired)*

Insuring Bright Future and Building Lasting Relationships since 1954

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- 5) **Loss Assessment:** As co-owners of Association property, individual unit owners may be subject to an assessment by the Association should it suffer a loss which is not fully covered by insurance. Coverages can be provided, within limits, for such an assessment. *(For example, a windstorm rips off the roof and siding of a 20 unit beach condo building, and the association has a \$100,000 wind deductible. The association could assess the 20 unit owners \$5000 each)*
- 6) **IF YOU LEASE YOUR UNIT:** Purchase a HO6 or Dwelling Fire policy that covers you as 'Landlord' for liability purposes, and adequately covers 1 – 5 above. An important coverage for rented units is Loss of Rents. If the unit becomes uninhabitable due to a covered loss, your loss or rents could be covered. *(For example, a fire destroys your unit, which is rented for \$1650 per month. The unit takes 11 months to rebuild-you could be reimbursed \$18,150 under this coverage.)* The unit owner should require that the tenant's purchase a "Tenants Policy" (also known as a HO-4 policy). This would provide coverage on their personal belongings, contents, personal liability, and loss of use. The unit owner should ask to be named as landlord on the tenant's policy.
- 7) **Review your current coverage:** Share this letter with your agent to help them customize your HO6 policy. Ask about other coverages available, such as Water & Sewer Backup, Identify Theft or Equipment Breakdown. You may need a Personal Articles policy for scheduled jewelry, or a Personal Liability Umbrella for extra liability protection. Confirm with your insurance agent to be sure the HO-6 Unit policy provides coverage for Association deductibles when & where responsible.

We appreciate the opportunity to service your association, and hope you find this information helpful to you in designing your personal insurance program.

Sincerely,

Marie Manley

Marie Manley
Commercial Insurance Division

- * This brief description does not contain, extend, modify, or explain all the clauses, conditions, exclusions, or amounts of coverage within the policies. Please refer to the individual policies on file with the association for specific coverage questions.

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