

# **The Village Green Board of Directors**

## **Insurance Information [June 1, 2023]**

- 1. What insurance agency and insurance company does our association have a policy with to cover our commonly owned buildings and property?**

The Board of Directors has selected **The Insurance Center**, 145 W. Vermont Avenue, Southern Pines, as the agency and **The Cincinnati Insurance Company** as the insurer for the property and liability coverage for The Village Green.

- 2. What coverage does this special unit association policy, also known as the "master policy," provide?**

The policy provides blanket protection on all exteriors of dwelling units within the association. The policy extends coverage to personal property owned by the association, such as personal property located in the gatehouse or maintenance buildings. Liability protection is included for all areas under the care of the association should any member of the public suffer either bodily injury, property damage, or personal injury.

- 3. What is our policy deductible?**

The master policy has a \$1,000 per building deductible for all perils, with the exception of wind and hail, which has a \$5,000 per building deductible, and water and sewer, which has a \$10,000 per building deductible.

- 4. Does the policy contain a coinsurance clause?**

No, it does not. However, the replacement cost coverage provision is included.

- 5. What is meant by the replacement cost provision?**

In the event of a loss, any damage done to the property under the care of the association will be repaired or replaced without any deduction for depreciation due to age or condition.

- 6. How do we arrive at the proper replacement value for insurance purposes?**

The Board of Directors, our insurance agent, and our insurance company determine the replacement value through inspection of the property, the amount of insurance presently carried, and a replacement cost per square foot analysis. An annual review is made to verify proper values prior to policy issuance each year.

**7. Our policy provides “special” coverage, but what does this mean?**

The association’s policy is the most comprehensive insurance coverage available to any homeowner’s association today. All policies contain certain exclusions, most of which are listed below, although some of these coverages can be purchased separately:

- a. Flood (overflow of rivers, streams, and/or lakes).
- b. Normal wear and tear, vermin, other insects, etc.
- c. Leakage or overflow of plumbing.
- d. War, insurrection, rebellion, or revolution.
- e. Nuclear reaction, radiation, or radioactive revolution.
- f. Earthquake.

**8. Do I need to personally purchase an insurance policy?**

YES. It is most important that all individual unit owners purchase an insurance policy to cover your personal property and walls in dwelling coverage as specified in the association Bylaws and Declarations. This would include all personal property such as: furniture, clothing, draperies, pictures, and paintings, all personal property, appliances, heating and air conditioning units (including ducts above and below ground), all flooring and carpets, windows, doors, screens, electrical (cables, wiring, fixtures, exterior mounted lamps), plumbing (except sewer lines between exterior cleanout openings and sewer lines), showers, rugs, and toilets, kitchen cabinets, countertops, fixtures, chimneys, propane tanks, and in-ground garbage cans. Also, all individual unit owners' policies should provide for their personal liability should anyone be injured while visiting them in their unit.

**9. What kind of insurance policy should I purchase?**

In North Carolina, we have a special condominium owners policy (HO-6). The policy is designed to provide protection for you as a unit owner for your personal property (including property listed above in number 8) and your personal liability (if you are living in said unit).

**10. If I purchase the condominium owners’ HO-6 policy, will there be an overlap of coverage between my policy and the master policy?**

There will usually be a slight overlap in coverage. The master policy carried by the association is designed to cover all real property (building structures) and the association’s liability, whereas the HO-6 policy is designed to cover all your personal property as well as your personal liability.

**11. What should I do if I have a claim?**

Losses or damages within the unit (including the porch) should be reported to your HO-6 insurance provider. It is important that, if anything unusual happens to your unit, you report it at once to a member of the board of directors, confirm it by letter, and the board will report it to the association's insurance agency and company. All claims that may be the responsibility of the association's master policy must be prescreened, approved, and processed through the board or directors.

**12. How will a claim be handled?**

Any loss to your structural unit covered under the master policy will be handled with the board of directors, the agent, and the insurance company's claim representative. It is the policy of the board of directors not to conclude settlement of a claim with the insurance company without close consultation with the unit owner concerned. Your interests as a unit owner will always be protected to see that your unit is returned to you as nearly as possible in the condition it existed in before your loss. The claim payment will be made to the board of directors, who will see that all bills are paid promptly.

**13. I recently received a certificate of insurance from our insurance agency. What is its purpose?**

The insurance certificate merely certifies that there is a master policy in effect on your unit. If there is a mortgage on your unit, it is indicated on your certificate, and a copy of the certificate is on file with your mortgage.

**14. How do we pay the premium for the master policy protection?**

Each owner's pro-rata share of the annual premium for the master policy is included in your monthly dues and maintenance fees.