

LEWISTON TOWNHOUSE CONDOMINIUM ASSOCIATION

The following are Frequently Asked Questions regarding the proposed Association Insurance requirements for Unit Owners. As a reminder, this proposal is in response to the escalating cost of purchasing condominium master policies and the desire to keep the HOA dues affordable:

1. **What kind of insurance is required?** The unit owner insurance must now cover the unit (interior, exterior and roof of the unit), the appurtenant Limited Common Elements (decks, porches, fences) as well as the unit garage.
2. **How much should the unit/dwelling coverage be for?** Insurance coverage should be for an amount of the Actual Cash Value of the unit at the time of insurance purchase and each renewal. Typically decks, porches and detached garages are separately stated in the coverages and should be adequately insured.
3. **Does the Association require other insurance coverages?** Yes, the association requires each unit to carry \$500,000 in personal liability coverage.
4. **How should the association be identified on the policy?** The association shall be listed as an additional Loss Payee on the policy along with any mortgagee. The association must receive a copy of the policy at each renewal.
5. **What if my coverage lapses or is inadequate?** If coverage lapses the board has the authority to purchase a policy to cover the unit and will bill the unit owner for the cost of the policy and any associated fees. If the unit owner supplies insurance with inadequate coverage, the association has the authority to obtain an appraisal of the unit property to determine replacement cost and bill the appraisal cost to the unit owner.
6. **What happens if there is a claim made under a policy for a partial or complete loss?** The board has developed a Claims Procedure that must be followed in order to protect the unit owner's property as well as the association's property. The association must now be included in all correspondence and communications with the insurance company.
7. **I have a claim and the check from the insurance company is made payable to me and the association. What do I do?** Since the association is now a Loss Payee on the policies, any claim proceeds will be made payable to both the insured and the association. The new Claims Procedure spells out how these are handled.
8. **In the event of a loss how long do I have to make repairs?** Unit owners and the association will work together to ensure that timely repairs are made and that multiple bids are received.
9. **Does the association carry separate insurance?** Yes, the association carries liability insurance on the entire property as well as Officer and Director liability insurance.