



## Important notice regarding Insurance Crisis:

# Gold Bend Condominium Association

The purpose of this document is to:

1. Inform you regarding the current insurance crisis impacting coverage for Gold Bend Condominium Association and what steps Unit Owners need to do As Soon As Possible!
2. Provide you with information that will assist you in securing personal insurance. Doing so can lessen the financial impact you will face for damage to your home [See Exhibit 1].
3. Address basic coverage and exclusion provisions common in most insurance contracts.
4. Address loss prevention practices.
5. **Notify you that should a covered insurance claim occur to your unit(s) you may be personally responsible for the first \$25,000 or as much as \$50,000. This amount is the deductible(s) on Gold Bend's Master Insurance policy.**
6. Provide information to assist you in ordering evidence of insurance for personal or mortgage company use.

### 1. Application Limits of Association's Insurance Coverage

- 1.1. **Gold Bend was only able to obtain \$5,000,000 of property insurance out of the nearly \$40,000,000. needed to replace our buildings. This is a direct result of the Insurance Crisis impacting California due to Wildfire exposure.** The board is continuing its search for additional amounts of property insurance and any additional premium. Your CC&R's states in **Section 8.9 INABILITY TO OBTAIN INSURANCE:** If the insurance required by the Governing Documents is difficult, impractical or unduly expensive to obtain, the Association shall obtain insurance as nearly equivalent to the required insurance as is reasonably available.
- 1.2. If an insurance claim occurs the Gold Bend Association policy of property insurance shall provide **primary coverage**. **Your unit owner's insurance policy may be primary for the portion of the claim equal to the deductible amount on the Gold Bend Association policy. Deductible for Water related claims is \$50,000. Deductible for Fire, Wind, Collapse from weight of ice or snow is \$25,000. Consult your personal insurance advisor for proper coverage.**
- 1.3. **There is a policy coverage condition to maintain Heat in the units at 55 degrees.** If owners and/or tenants fails to maintain heat at 55 degrees the insurance provider shall void any insurance claim and coverage for Water Damage.
- 1.4. If the unit owner has no insurance for a covered cause of loss, he/she may be personally responsible for the loss to the amount of the Association's policy deductible.
- 1.5. Any insurance claim that involves your personal property, unit interior, extra living expenses, personal liability, loss assessment, etc. should be submitted to your insurance carrier. The Gold Bend Insurance policy is **not** responsible for these items.

IMPORTANT: The information contained herein is intended to be used solely for informational reference and as a general guideline. It confers no rights nor affirmatively or negatively amends, extends or alters coverage afforded by the policies referred to.



**2. No Coverage is provided for the Following:**

Earth Movement, landslide, wear and tear, deterioration, or flood, (flood is defined as water penetrating the building envelope from an outside source.) **There is no coverage for damage caused by continuous or repeated seepage or leakage of water occurring over a period, usually defined as 14 days. This includes appliance supply lines, plumbing, leaking around shower, bathtub, toilet or sink.** The insurance contract contains full details on coverage, limitations, and exclusions. Consult with your insurance advisor regarding the perils that may impact your property.

**3. Loss Prevention:**

To reduce the likelihood of damage to your home and possible damage to a neighbor's home the following are a few "loss prevention" measures that should be followed:

When your home will be **unoccupied** for more than a few days:

- Leave the heat on to 55 degrees in the winter to avoid freezing pipes.
- Turn off the water to the inside of your home and drain the lines by opening faucets.
- Turn off your water heater or turn it to the "vacation" setting.

**Unit Owner Annual Considerations:**

- ✓ Inspect and/or replace water supply lines to toilets, washing machine and refrigerator.
- ✓ Have clothes dryer vents checked and cleaned on an annual basis. Always remove lint from the filter after each use.
- ✓ Keep smoke alarms in good working condition.
- ✓ Fire Wood should be kept at a minimum on decks and removed from decks during summer months.
- ✓ Chimneys should be inspected and swept as needed by a professional to prevent fire and smoke damage to units.
- ✓ Consult with a professional when unable to remedy unusual persistent odor, or when events occur that seem to suggest appliances or other home equipment are near the end of their lifespan.
- ✓ Have a trusted neighbor or family member periodically check your home while you are away.

Please note that the coverage and procedures outlined in this letter apply to your current insurance program, prepared by Russo Insurance Agency. If the association changes agents we recommended that these procedures be reevaluated.

We recommend that you take time to review this information and audit your insurance coverage for compliance. We **strongly** suggest reviewing these documents with your insurance advisor or broker in an effort to secure the appropriate insurance coverage for your specific situation.

If you feel your current insurance coverage needs to be reviewed, you may contact our office and ask for a member of our personal lines insurance team to assist you.

When corresponding with us, please reference **Gold Bend Condominium Association** as the community you live in.

A handwritten signature in black ink, appearing to read 'Rick Russo'.

IMPORTANT: The information contained herein is intended to be used solely for informational reference and as a general guideline. It confers no rights nor affirmatively or negatively amends, extends or alters coverage afforded by the policies referred to.



Exhibit 1. – **Personal Insurance Checklist**

1.	<b>Policy type - HO-6 form</b> (commonly referred to as a condominium owners policy). Not an HO-3 homeowner policy or an HO-4 renter's policy.
2.	<b>Coverage A (Dwelling coverage)</b> The association master insurance policy does not provide coverage for the interior of your unit. Consult with your insurance advisor to properly insure for fixtures, appliances, cabinets, flooring and counters. We recommend a minimum of \$100,000.
3.	<b>Personal Property Coverage</b> - Consult with your insurance advisor for coverage limits.
4.	<b>Personal Liability</b> - Consult with your personal insurance advisor for coverage limits. You may want to inquire regarding umbrella liability coverage.
5.	<b>Loss of Use Coverage &amp; Additional Living Expenses</b> (In the event your unit is uninhabitable due to a covered loss).- Consult with your insurance advisor for coverage limits.
6.	<b>Loss Assessment</b> – Consider a minimum of \$50,000 or higher.
7.	<b>Loss of Rents</b> – Is your unit a rental? If so, this coverage should be purchased. Note If you rent your unit as a “Short Term Rental” Insurance will be difficult to obtain and more expensive.
8.	Any other riders such as <b>Valuable Articles</b> , i.e., jewelry, art, collectibles, etc. Consult your insurance advisor.
9.	<b>Other Endorsements:</b> Your insurance advisor may recommend.
10.	<b>Earthquake Insurance: Gold Bend Association has EARTHQUAKE INSURANCE for the building/structure only.</b> The California Earthquake Authority is available to unit owners <a href="https://www.earthquakeauthority.com/">https://www.earthquakeauthority.com/</a> If you would like to obtain Earthquake Insurance coverage for your contents.
11.	<b>NO FLOOD INSURANCE HAS BEEN OBTAINED BY THE GOLD BEND ASSOCIATION.</b> Consult your insurance advisor if you want to obtain Flood Insurance protection.
12.	<b>Inventory</b> – It's always recommended to have an inventory and/or photographs of your personal property, fixtures, appliances, cabinets and countertops. If you suffer damage from a fire or other peril your insurance adjuster will be able to settle your claim much sooner if you can provide proof. Consult with your personal insurance advisor for recommendations on handling your burden of proof for your property.
13.	<b>Certificate of Insurance:</b> We have partnered with a 3 <sup>rd</sup> . party provider for Certificates of Insurance. If your lender is requesting a certificate with your name and address along with mortgage information, please visit- <a href="http://www.eoidirect.com">www.eoidirect.com</a> You can create what you need on their website and have it sent directly to your lender. If you have any questions EOI has a toll-free number to call and/or you can always call our office for assistance.

**Please note that we strongly advise the deductible amount on your personal policy be low enough that you can comfortably pay this should a covered loss occur. Deductible amounts for an HO-6 policy can be as low as \$250., the most common deductibles are \$500 to \$1,000. A higher deductible will lower your insurance cost but it also increases your out-of-pocket expense when you have a claim. Take time now and on an annual basis to review your personal insurance with a trusted insurance advisor. He/She will be able to provide advice concerning what insurance coverage and deductible amounts are right for you.**

IMPORTANT: The information contained herein is intended to be used solely for informational reference and as a general guideline. It confers no rights nor affirmatively or negatively amends, extends or alters coverage afforded by the policies referred to.