

## **INSURANCE GUIDELINES FOR WCA UNIT OWNERS**

The Association carries the level of insurance specified by Civil Code Section 1365.9 and pursuant to that section, owners may be individually liable only for their proportional share of assessments levied to pay the amount of any judgment which may be rendered in favor of a plaintiff bringing an action in tort arising solely by reason of an ownership interest in the common area which exceeds the limit of the Association's insurance.

This summary of the Association's policies of insurance provides only certain information, as required by subdivision (e) of Section 1365 of the Civil Code, and should not be considered a substitute for the complete policy terms and conditions contained in the actual policies of insurance. Any Association member, may upon request and provision of reasonable notice, review the Association's insurance policies and, upon request and payment of reasonable duplication charges, obtain copies of those policies. Although the Association maintains the policies of insurance specified in this summary, the Association's policies of insurance may not cover your property, including personal property or real property improvements to and around your dwelling, or personal injuries or other losses that occur within and around your dwelling. Even if a loss is covered, you may nevertheless be responsible for paying all or a portion of any deductible that applies. Association members should consult with their individual insurance broker or agent for appropriate additional coverage.

Because of obligations imposed upon Unit Owners by the governing documents, it is strongly urged that all owners purchase such insurance, as it is available to cover their respective obligation and interests.

### **Owner-Occupied Units**

Each owner is advised to carry a Condominium Owners Policy, often referred to as HO6, or similar policy with adequate limits to cover all interior finishes, fixtures and equipment, including but not limited to cabinets, countertops, floor coverings, and appliances.

Such policy should also include loss assessment coverage for losses that may be assessed by the association against individual owners for certain uninsured losses; e.g., the association's deductible. The policy must also include adequate limits for Personal Liability, the Owner's personal effects, and additional living expenses.

### **Rental Units**

Owners have the same obligations under the governing documents whether they occupy their units or rent them to others. Therefore, they will have to carry the same coverages as previously described other than insuring their personal effects and additional living expenses. They may wish to add coverage for loss of rental income in the event the unit becomes uninhabitable due to a fire or other covered loss. The tenants, must of course, cover their own personal effects, personal liability, and additional living expenses.

The above comments are intended to be a general guide to assist Unit Owners in setting up proper insurance programs. It is important that all Owners consult with their insurance agents to set up a program that meets their specific requirements.

### **CONDOMINIUM ASSOCIATION UNIT PROPERTY EXCLUSIONS:**

This insurance does not cover against loss or damage to the following property:

1. Fixtures, appliances, cabinets, countertops, floor coverings, ceiling coverings, wall coverages, installations, alterations and additions; that comprise part of the building when situated within a portion of the premises used exclusively by an individual condominium unit-owner;
2. Household and personal property owned by or in the care, custody, and control of the individual condominium unit owners.