

Insurance Procedure – All Claims Island Shores Estates

There are two types of policies that are in force for the association. One is the Master Policy which carries an individual unit owner's deductible for damage to their unit in the amount of \$25,000.00 and your HO6 policy that covers the deductible portion of the Master Policy (which includes coverage for your personal belongings). If you do not have an HO6 Policy, it is important to speak with an Insurance Agent to make sure you are covered for the amount up to the deductible for Riverside Terrace which is \$25,000.00. If you do not currently have an HO6 Policy, it is recommended that you consider purchasing an HO-6 policy to assist you in paying the master policy deductible if damage occurs to your unit, an out-of-pocket expense.

As a unit owner, you are responsible for insuring your own personal contents & liability exposures. This can be accomplished by purchasing a Unit Owners Homeowners HO-6 policy. The HO-6 policy, in addition to providing personal contents coverage, also provides dwelling coverage. Limits and coverages may vary by insurance company.

The following procedure is in place to help unit owners report potential losses to their units.

First Step: Once you notice any potential loss, please send an email to your property manager indicating the potential issue at your home causing damage. If you prefer, please call 1 (800) 639-7309. If the call is during business hours, you will be directed to your property managers phone extension. If there is no answer, please leave a message to follow-up with you. Calls after hours will go to the afterhours answering service and the answering service will log the call and forward the information to Great North for follow-up by the property manager.

Second Step: Make sure Management is aware of the potential claim for damage to the unit sending a follow-up email. Management will put the Master Policy on notice of the potential claim. The claim will be **on hold** until the claim exceeds the master policy deductible of \$25,000.00

Third Step: Notify your HO6 Policy:

- 1) Call your agent and place a claim for the damage to your unit. Your agent will schedule an adjuster to come to the unit to place a value on the claim.
- 2) Once you receive the adjuster's report, you must submit this to Management.
- 3) Management will review the adjuster's report and further adjust the claim to remove personal items from the claim and verify the claim is over the

\$25,000.00 deductible amount. Personal items that will be removed from the adjuster's report will be items such as moving furniture.

Fourth Step: If the claim is under the Master Policy deductible, there is no further action required or involvement of the Association. Your HO6 policy will issue a check directly to you or to the mortgage company for the repairs and you will make the repairs by hiring your own contractor to make the repairs. Your Insurance Company will issue a check in the amount up to the deductible of \$25,000.00, minus your own HO6 Deductible. IE: The claim is \$25,000.00 and your deductible is \$500.00, a check will be issued in the amount of \$24,500.00 for the damage to you.

Fifth Step: If the HO6 adjusters report indicates a claim over the deductible amounts of \$25,000.00, the Master Policy Agent will submit a claim to the Master Policy for the Master Policy to request their adjustor review the damage. Sometimes, but not always, the Master Policy adjusters will accept the HO6 adjusters report. If the Master Policy Adjustors accepts the report, then:

(1) The Master Policy will send a check to the Association for the difference between the deductible and claim. IE: If the claim is \$26,000.00, the Master Policy will issue a check to the Association in the amount of \$1,000.00. Note: The Board may decide to pay the balance out of pocket depending on the amount to keep the claims on the policy low so that no increase of premiums will be warranted by the Master Policy.

b) If the Master Policy adjustor does not accept the HO6 adjusters report, the Master Policy will schedule an appointment to review the damage and adjust the claim accordingly. Issuance of check is the same as above in b). (1). Claims through the Master Policy can take up to four weeks to process.

Repairs from Damage:

1. If the damage is under the deductible, the unit owner can move forward with the repairs to the unit with no further involvement from the Association.
2. If the claim is over the deductible amount and after the Master Policy issues the check to the Association, the unit owner will be issued a check in the same amount as the Master Policy has issued to the Association, for the unit owner to pay the contractors they have hired to make the appropriate repairs. The unit owner will also sign partial releases and a hold harmless to the Association prior to any checks being issued. The Board reserves the right to inspect the work prior to any checks being issues.