

# Important Protection for Condominium Owners

## Frequently Asked Questions

### What's covered in an HO6?

#### Fixtures/Alterations Protection

Unit owners are typically responsible for covering the fixtures or appliances within the unit. This includes fixtures such as kitchen/bathroom cabinets and appliances such as refrigerators. The HO6 policy provides protection against loss caused by covered causes of loss such as accidental discharge of water, fire and theft. Please refer to your association documentation, however, to determine the specific items that you are responsible for insuring.

#### Personal Property Protection

An HO6 policy can also cover personal property such as your clothing, furniture and televisions. The policy will protect against causes of loss such as accidental discharge of water, fire and theft.

#### Liability Protection

The policy will help protect you against the legal responsibility for injury or property damage that you cause.

#### Additional Living Expense Protection

If a covered cause of loss such as fire makes your condo unlivable, the policy will cover reasonable expense increases (*such as hotel/ rental costs*) to maintain your standard of living.

#### Guest Medical Protection

If a guest in your condo is accidentally injured, the HO6 policy can provide payments up to \$5,000 for reasonable medical expenses.

### Optional coverages in an HO6

#### Units Rented to Others

Most HO6 policies exclude coverage when the unit is rented on a regular basis. By adding the Units Rented to Others option, however, the policy will typically maintain the coverage on the policy with the exception of limiting liability coverage to the unit premises.

#### Property Managers

If you hire a property manager for your unit, they will often want insurance coverage through your HO6 policy. You can meet their insurance requirements by purchasing the Additional Insured—Property Manager option. This option typically provides protection to your property manager with respect to their liability as the property manager of your unit.

#### Replacement Cost Contents

Since personal property losses are paid on an actual cash value basis, you will receive the depreciated value of your possessions for total losses. Since items such as clothing depreciate very rapidly, you may only receive a fraction of the replacement cost at the time of loss. By purchasing the Replacement Cost Coverage option, you will receive the full replacement cost (*not the depreciated value*) for covered personal property losses.

#### Loss Assessment Coverage

The policy will also pay your share of certain assessments levied against you resulting from covered causes of loss.

### What does my association policy cover?

Your association's master policy will typically cover the common area elements such as the building walls, floors, ceilings—both exterior and interior 'as originally built'. This does not include upgrades such as upgraded flooring, wall covering, etc. The association policy usually will include built-in cabinets, counters and appliances if they were part of the 'as built' features of the original unit.

### What does my association policy not cover?

The unit owner is typically responsible for their upgrades to the unit, personal property within the unit and their legal liability.

### How much will this cost?

A typical HO6 policy will cost between \$200 and \$350, depending on the type of building and the coverage purchased.

### How can I reduce my annual cost?

We recommend that unit owners increase their deductibles to the highest amount that they can afford (*typically \$500 or higher*). Increasing deductibles is a good way to reduce cost without reducing your protection against large losses.

### How can I protect myself against damage caused by my tenant's negligence?

The HO6 policy covers your negligence/legal liability. The policy does not provide coverage for damage caused by your tenant's negligence (*for example, damage to your neighbor caused by your tenant letting the bathtub overflow*). Your tenant would need to purchase a renters policy (*HO4 policy*) to acquire this protection. You may want to ask your tenants to purchase this policy for your and their protection.