FARMERS INSURANCE

Member of Presidents Council

Bob Nielsen
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R C Nielsen Insurance Services Inc.
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Woodside Association Inc.

Insurance Disclosure

Civil Code 4000 (01/01/14)

This summary of the association's policies of insurance provides only certain information as required by subdivision (f) of Section 5300 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 payment of reasonable duplication charges, obtain copies of those policies. Although the association maintains the policies of insurance specified in the summary, the association's policies of insurance may not cover your property, including personal property or, real property improvements to or around your dwelling, or personal injuries or other losses that occur within or 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 coverage.

COMPANY & POLICY NUMBER:	**Farmers Insurance #605495415**
Coverage Dates:	11/01/2023 to 11/01/2024
Blanket Building Limit:	$ (150% ERC) $176,188,100
Employee Dishonesty/Deductible	$1,200,000/ $500 deductible
Liability Limit Per Occurrence/Aggregate	$1,000,000/$2,000,000
Deductible:	$25,000
COMPANY & POLICY NUMBER:	**Farmers Insurance #605495415**
Coverage Dates:	11/01/2023 to 11/01/2024
Directors & Officers	$1,000,000
Deductible:	$1,000
COMPANY & POLICY NUMBER:	Truck Insurance #606768678
Coverage Dates:	**11/01/2023 to11/01/2024**
Umbrella	$10,000,000
Self-Insured Retention:	$10,000

Higher limits are available and can be quoted. Please contact us if you want to discuss higher limits.

This summary of insurance provides only certain information as required by subdivision (f) 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.

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Part I: Notice to Owners Regarding the Need to Carry a Personal Insurance Policy in addition to the Master Policy

We know how confusing and daunting the claims process can he for homeowners in an HOA, so we have put together this handout to ·help explain this process and make it less stressful for everyone. First, some definitions:

Master Policy-this is the insurance policy taken out by the association to fulfill its obligation per the CC&R's, it typically covers the common areas which may or may not include buildings depending on whether the association includes multi-family or single-family structures,

H06 or "Condo Unit Owners Policy" - This is the insurance policy which the individual unit owner takes out to cover their personal exposures.

Deductible: This is the amount of loss which must be exceeded before the policy pays,

There is typically little or no overlap of these policies, both policies will have a "deductible" for property losses. Your master policy has a deductible of is shown on the Property Disclosure. Your HO6 "unit owner policy would typically have a deductible of $250 to $1000 or whatever amount you decide upon with your agent.

As is standard on all homeowners association master policies, the association's master policy does not cover the personal property, loss of use (or rental income) and personal liability of unit owners and their tenants, In addition, depending on your association's CC&R's, you may need to also cover some building items which might include your cabinets, fixtures, wall and floor coverings either entirely or if you have done upgrades, You may even need to cover the entire structure if you own a townhome. So, whether you live in the unit or rent it out, each owner should carry what is commonly known as an HO6 to cover these and other exposures,

The CC&R's lay out the provisions for what the association must insure and what the unit owner must insure. There are 3 types of CC&R provisions most commonly seen, please review your CC&R's to verify the type of coverage you need to purchase.

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The HO6 (unit owners policy) can cover the following exposures NOT covered by the HOA:

1. Building - This is for building items such as wall to wall carpets, draperies, wall coverings, cabinets, and fixtures (and upgrades to these items) which may not be covered by the master policy due to wording in the CC&R's which limit the association's responsibility as outlined above, although it appears that your CCR's hold that the master policy covers all of these things.

   This can also be used to cover the master policy's deductible for such losses, so you want to have more coverage than the Master policy deductible.

2. **Your Personal property** such as furniture, clothes, etc. You are responsible for insuring your personal property and free-standing appliances. This is NOT intended for the personal property of a tenant if you rent out your unit. They must carry a "renter's policy" known as an HO4*.

3. **Loss of use of your unit** should a covered loss occur. This could pay for things such as hotels or rent in a temporary apartment or home after a covered property loss. If you rent your unit to others, this coverage could pay for the loss of rental income to you during the repairs*.

4. **Loss Assessments** (other than earthquake) This could pay the unit owners' share of an assessment to cover certain losses to association property that result in an assessment being made by the association due to inadequate insurance. An example might be repair from a fire where the insurance proceeds were not enough to cover the loss and a general assessment was made to pick up the difference.

5. **Personal liability** such as a guest getting hurt in your unit or hitting someone or someone's car with a golf ball. If you rent your unit to others, this could be extended to cover the liability you have to a tenant who may be hurt while occupying your unit.

This Master policy does not cover:

Personal Property
Earthquake
Flood

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Part II: The Claims Process

1. If you experience a claim in your unit, you should report it as soon as possible to your HOA manager and they will report it to the insurance carrier for the master policy if it appears that the total loss will exceed the deductible on the master policy. You should also report it to your HO6 broker or agent. The sooner the claim is reported the better the chance of it being resolved in a timelier fashion.

2. Be sure to do what you can to avoid and prevent any further loss/damage such as calling an emergency service to turn off water.

3. The more information you have the better. Things like pictures, estimates, and witness statements are very helpful to have as soon as possible.

4. Once the claim is reported the insurance carrier, it will be assigned to an adjuster who will be the main contact for the claim. We at R.C. Nielsen Insurance Services, Inc. will always be available to you as well if you have any questions or concerns. Because the HOA is the named insured on the master policy all formal communication goes through the HOA General Manager/President/Property Manager, but you can feel free to call our staff with specific questions as to what your steps are.
5. Once the adjuster gets the claim, they will begin investigating either with their own claim investigator or with a hired outside investigation firm. They will collect all necessary information and review coverage available through the policy to see if claim is eligible. This is the part that can take some time depending on the severity of the damage and how easy it is to get the necessary information.

6. Once they have received all the information and checked it against the policy, they will send out a letter with their decision and if applicable payment.

Another part of the claim's process that can especially confusing is the deductible, how it works and who pays it, the deductible is your portion of the financial responsibility for a claim before the insurance company steps in to pay the rest

For example: if the policy has a $5,000 deductible and the claim total is $20,000, you would be responsible for $5,000 and the insurance company would pay the remaining $15,000,

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Some policies will have different deductibles for different coverages, **For example:** there may be one deductible for fire damage and another deductible for water damage.

Typically, the HOA CC&R's would dictate who is responsible the deductible on the master policy.

The CC&R's are not specific as to who pays the deductible, but most typically:

a) if the loss is in a common area, the HOA pays the deductible

b) If the loss is in only one unit, the unit owner pays the deductible if the loss began in that unit; if the loss did not start in that unit, then either the HOA pays it or if another owner is at fault for the loss, then that unit owner would pay it (would typically be covered by their HO6 liability)

c) If the loss is in multiple units, then the unit owners would share in the deductible in the same proportion as their loss; if the loss began in those units; if the loss did not start in those units, then either the HOA pays it or if another owner is at fault for the loss, then that unit owner would pay it (would typically be covered by their HO6 liability).

If you as a unit-owner have to pay all or part of the master policy deductible, then you should be able to collect that under your H06 condo unit-owners policy within coverage A- Building. For this reason, it is important to carry at least as much Coverage A on your HO6 as your master policy's deductible.

The Association Homeowner can obtain a certificate of insurance by sending an email to certificates@nielseninsurance.com