

## **WATERGATE OF ALEXANDRIA** **INSURANCE INFORMATION**

Dear Unit Owners and Renters:

Residents of Watergate of Alexandria should be aware that the Association's Master Insurance Program does not satisfy all of your insurance needs. You should purchase personal insurance to fully protect your interest.

**Master Policy Coverage & Personal Insurance Responsibilities:** Building coverage under the Master Policy is written on a single entity basis, which means coverage does extend within individual units to fixtures, appliances, wall and floor coverings and cabinetry according to the original plans and specifications. The Master Policy does not cover any individual unit improvements, betterments, additions or alterations made subsequent to conveyance from the developer. For example, if kitchen appliances or bathroom fixtures have been upgraded in your unit, the Master Policy does not cover these improvements or betterments. If wallpaper has been installed or a new wall constructed to divide a room, these additions and alterations are not covered by the Master Policy. In addition to improvements, betterments, additions and alterations, the Master Policy does not provide coverage for your personal property or additional living expenses.

Building coverage under the Master Policy is subject to a \$5,000 deductible per occurrence. Accordingly, the Master Policy will cover claims only when the damage to covered property caused by any one occurrence exceeds \$5,000.

Coverage is provided under the Master Policy to protect unit owners against liability claims arising out of membership in the association. For example, if somebody slips and falls on the common elements, the Master Policy will indemnify and defend all unit owners against a liability claim for bodily injury that might result. However, if anybody slips and falls or otherwise sustains bodily injury within an individual unit, the Master Policy liability coverage will not apply. Should you inadvertently leave the water running in your kitchen sink allowing water to overflow, the Master Policy will not protect you against the claim from the resident in the unit below for damage to their personal property or the expensive wallpaper they installed.

**Resident Owners** should purchase an individual homeowners policy (HO-6). The HO-6 policy can provide coverage for your personal property, unit improvements, betterments, additions and alterations, additional living expenses and personal liability. Coverage can be arranged under some HO-6 policies to pay for damages to your unit over your personal policy deductible, usually \$250 or \$500, up to the \$5,000 Master Policy deductible. Unit owners should check with your HO-6 policy agent or company to determine if your policy covers damage to your unit up to the Master Policy deductible.

**Non Resident Owners** may not need coverage for personal property or additional living expenses; however do have all of the other insurable exposures of a resident owner. Additionally, non-resident owners have an exposure for loss of rental income, which can be insured against.

**Renters** should purchase an HO-4 policy to provide coverage for personal property, additional living expenses and personal liability.

To complete your insurance coverage, owners and renters need to purchase a personal insurance policy. A qualified insurance agent can specifically design your personal policy coverage to fit your individual needs and properly compliment the Master Policy coverage.