

Brown & Brown Insurance of Georgia, Inc.

900 North Point Parkway, Suite 300 – Alpharetta, GA 30005 – 770-952-7725 – Fax 770-824-8899

Explanation of the Property Coverages for Condominium Associations

The certificate requestor is responsible for ensuring they have selected the correct association/insured name aka project name.

The building limit shown is for the entire association - we cannot verify a coverage amount for each individual building or unit.

- In Georgia, the property limit shown includes the entire condominium building from the outside of the structure all the way through to the real property on the inside of the unit which would include inside walls, wall coverings, flooring, cabinets, plumbing, electrical, lighting, fixtures, and major appliances used for cooking, heating, cooling, laundry. Real property is defined as items that are appurtenant to the structure. However, unless required by your association Declarations, we may not cover structural upgrades/improvements.
- **The General Liability policy listed includes Separation of Insureds/Severability clause.**
- In accordance with the policy conditions, the insurance company will endeavor to provide the first named insured a minimum of 10 days notice of cancellation.

Explanation of deductibles and abbreviations - **these are examples** - see certificate for the actual deductible amount that applies to this policy:

- "PU" means Per Unit. The deductible amount would be applied to each & every unit owner involved in a covered loss of that type – each unit affected would be fully responsible for their per unit deductible
- "PB" means Per Building. The deductible amount would be applied to each building involved in a covered loss of that type – each building affected would be responsible for its per building deductible to be assessed back to the unit owners of that building per their association guidelines
- "PO" means Per Occurrence. The deductible amount would be applied per occurrence for a loss of that type - a single deductible would be assessed back to the affected unit owners per their association guidelines
- "R/Cost" means there is replacement cost coverage on the buildings; insurer will pay up to building limit of insurance to repair or replace covered buildings damaged by a covered loss without depreciation subject to policy conditions
- "GRC" means there is guaranteed replacement cost coverage on the buildings; insurer will pay actual cost to repair or replace covered buildings damaged by a covered loss without depreciation or limit subject to policy conditions
- "ERC" means there is 125% extended replacement cost coverage on the buildings; insurer will pay up to 125% of the building limit of insurance to repair or replace covered buildings damaged by a covered loss without depreciation subject to policy conditions
- "AV" means there is agreed value coverage on the buildings; insurer will pay up to the agreed upon building limit of insurance to repair or replace covered buildings damaged by a total covered loss subject to policy conditions
- "Orig Spec" means that we do not cover any structural upgrades. However, if required by your association Declarations, we may cover structural upgrades completed during original construction by the developer
- "Incl I&B" means that we do cover any structural upgrades (improvements and betterments) that have been made - however, it is the unit owner's insurance responsibility to provide proof of the upgrades (improvements and betterments) in the event of a loss
- "Incl Management Company" means that the crime/fidelity/employee dishonesty coverage extends to the property management company
- "Ordinance/Law" means that the property policy provides Ordinance or Law coverage
- "PO/AGG in Millions" means Per Occurrence/Aggregate limit, and the limit shown is times \$1,000,000

This document is not intended to alter the certificate

**Master Policy Information for:
Association Name**

The Master Policy covers the entire condominium building inside and out including the interior of the units **EXCEPT for additions or improvements made by owners**. The Master Policy only covers damage sustained by covered causes of loss including, but not limited to, fire, lightning, windstorm, hail, vandalism, and water damage occurring from a sudden and accidental discharge of water from plumbing or mechanicals such as a frozen pipe bursting, a washing machine hose malfunctioning, etc. The Policy is not designed to cover losses resulting from maintenance issues such as wear and tear, settling or faulty construction issues. **In the event of a covered loss, the applicable Master Policy deductible is the responsibility of the party outlined by the association's covenants.**

The Association's Deductibles

All covered water losses	\$10,000 PER UNIT
All covered wind losses	\$25,000 PER OCCURRENCE
All other covered losses	\$5,000 PER OCCURRENCE

Common Deductible Examples (amounts below are for example purposes only)

Per Unit - each affected party is responsible for the deductible amount in damage, and any damage equaling less than the deductible will not be included in a Master Policy claim.

Example – If the water deductible is \$30,000: Unit A has a pipe burst causing \$70,000 in damage to it, and \$20,000 in damage to the neighboring Unit B. Unit A is responsible for \$30,000 of their damage, and the Master Policy should cover the remaining damage to their unit. Unit B is responsible for their full loss of \$20,000 since the damage did not reach the deductible limit.

Per Occurrence - each affected party is responsible for a portion of the deductible proportionate to their share of the loss

Example - Unit A has a fire causing \$12,000 in damage to it and \$3,000 damage to the neighboring Unit B. Unit A has 80% of the total damage making them responsible for 80% of the deductible, and the Master Policy should cover the remaining damage to their unit. Unit B has 20% of the total damage making them responsible for 20% of the deductible, and the Master Policy should cover the remaining damage to their unit.

Per Building - each affected party is responsible for a portion of the deductible proportionate to their share of the loss

Example – Building 1 has a pipe burst causing \$40,000 in damage across four units. Each of the four units has the same amount of damage; therefore, each unit is responsible for their share of the deductible (the deductible divided by four units equally). The Master Policy should cover the remaining amount.

Unit owners should carry a Condominium Unit Owner's 'HO6' Policy (or a Dwelling Fire policy if the owner rents out the unit) to insure their responsibility for applicable Master Policy deductibles as well any additions and improvements, losses to the unit not covered by the Master, personal belongings within the unit, and liability for their personal exposure. The personal policy should also include Loss Assessment coverage to protect against a special assessment by the Association to all owners equally for their share of an uninsured/underinsured loss to common property. Coverage for the applicable Master Policy deductible(s), as outlined by the association's covenants, can usually found under the Dwelling coverage on an HO6.

If we can be of further assistance to you or your personal insurance agent in answering any questions, we can be reached at 770-952-7725.

**If any owners or lenders want a certificate of insurance
email a request to associationcoi@bbatlanta.com**

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The information contained in this letter is not intended to replace the Policy language. Please see the Policy for coverage, limitations and exclusions. In the event of a difference, the Policy will prevail.