

CONDOMINIUM INSURANCE WARRANTY

Project Name:

Association address:

HAZARD INSURANCE

Policy # _____ Effective Date: _____

Insurance Company: _____ Insurance Agency: _____

The coverage is for all general and limited common elements that are normally included in coverage. This includes fixtures, building service equipment, and common personal property and supplies belonging to the owners' association. The amount of coverage is for 100% of the current replacement cost of the project facilities, including the individual units. The maximum insurance deductible amount (unless mandated by State Law) is the lesser of \$10,000 or 1% of the policy face amount. The policy requires the insurer to notify in writing the owners association and each first mortgage holder named in the mortgage clause at least 10 days before it cancels or substantially changes the coverage.

LIABILITY INSURANCE

Policy # _____ Effective Date: _____

Insurance Company: _____ Insurance Agency: _____

The amount of coverage is \$1 million for bodily injury and property damage for any single occurrence. This policy covers the entire project -including all common areas, public ways, and any other areas under the supervision of the owners' association. This policy provides for a 10 day written notice to the owners' association before the insurer can cancel or substantially modify the policy. This policy includes one of the following provisions: allows claims by the unit owners due to negligent acts committed by the association and/or other unit owners (or) there is a "severability of interest" endorsement precluding the insurers' denial of a unit owner's claim due to negligent acts committed by the association and/or other unit owners.

FIDELITY BOND

(Not applicable for projects that consist of 20 units or less)

Policy # _____ Effective Date: _____

Insurance Company: _____ Insurance Agency: _____

The HOA currently maintains blanket fidelity bonds for anyone who handles (or is responsible for) funds that it holds or administers. The amount of coverage is equal to 3 months association fees for all units plus the project's reserves. The policy provides for a 10 day written notice to the owners' association before the insurer can cancel or substantially modify the policy.

FLOOD INSURANCE

(Only applicable if part of the project's improvements are located in a Flood Hazard Area)

Policy # _____ Effective Date: _____

Insurance Company: _____ Insurance Agency: _____

The coverage amount is equal to 100% of the insurable value for all common property including buildings, machinery, and equipment located within the flood hazard area (or) the amount of coverage is the maximum amount available under the National Flood Insurance Administration's program. The maximum deductible amount (unless mandated by State Law) is the lesser of \$5,000 or 1% of the policy face amount.

Certified by: _____ Date: _____

Name: _____ Phone #: _____

Title: _____