INSURANCE CLAIMS POLICY

Purpose:

This policy clarifies operational policies, establishes action to be taken in the event of property damage in the **Valley Isle Resort** building and describes insurance considerations by apartment **(unit)** owners for claim(s).

Background.

The Association contracts for several types of insurance coverage. Of particular importance is the policy used most of the time for claim(s) arising from damage to property. The water claims deductible for this policy is **$50,000 per occurrence**.

Your Board is concerned over the increased frequency of water claim(s). The Board has adopted a water damage policy mandating action after water damage and specifying conditions for possible insurance claims payments.

Water Claims

1. If at all possible, stop the cause of the claim. Shut off the water

2. Call the Resident Manager 808-669-0591 immediately and advise of the situation. He/She will check for damage to units below and on the side of your unit.

3. Call in the plumber to repair the pipe or appliance that leaked. To assist resident(s)/owners(s.

4. Call in the appropriate people to clean up i.e. extractors to dry out carpet, check for mold etc.

5. Call your homeowners carrier and report the claim.

6. Resident Manager will send an incident report to the Account Executive.

Insurance Considerations.

Because the damage to personal property and loss of **use/rental income is not covered** under the Association insurance, owners should include all personal items under their own personal property insurance policies with appropriate and affordable deductibles and advise their own adjuster of the loss of use/rental income.

1. **Water damage claims** – **CONDO MASTER** insurance policy will usually cover damage to apartment wall(s) and floor(s) as the building was originally built. **But not upgrades to the unit nor furniture or other personal property.**

   If a water damage claim(s) is "not covered" by the **CONDO MASTER** insurance policy, the Association has no responsibility for paying the claim unless the cause occurred in a common element.

2. **Common Elements** – All areas and structures of the **CONDO** building not part of a unit are considered "common" and are covered by the Association insurance policies. "Vertical" drainpipes are common elements, which the Association is responsible to repair and maintain; "Horizontal" feeder & drainpipes, water closets, showers/tubs, kitchen sinks, water supply pipes, hoses and connections within apartment "are not" common elements. **Maintenance of these items and conduit are the responsibility of the unit owner(s).**

3. Where a damage claim is attributable to the malfunction of personally owned fixtures of appliances, or from abuse or negligence by the resident, the Apartment owner will be responsible for payment of the insurance deductible or actual costs if less.

Claim Policy

Owners and residents must be aware of the following important policy concerning damage and insurance claims at our project:

- The Association's insurance: (1) covers the building, common elements, and items included in an apartment as originally built (e.g. carpet, appliances, cabinets, fixtures, etc.); (2) does **NOT** cover an occupant's furniture, other personal property, or upgrades to the apartment under any circumstances. **Therefore, owners and occupants should obtain their own insurance policy to cover furniture, other personal property and any upgrades to their units, as well as their personal liability.**

- The Association's insurance policy has a $50,000 deductible which is the responsibility of the owner from whose unit the damage originated. **Owners/occupants should obtain coverage for that deductible through their own insurance policy.**

- The Association does **NOT** pay the deductible to the homeowner unless the cause of the damage is determined to have originated from a common element of the Association, in which case the Board will review each claim on a case by case basis and consider reimbursement to the homeowner for the deductible amount on his/her individual policy, up to a maximum of $1,000.

- The Association is **NOT** an insurer of unit owners. The Association is **NOT** responsible for uninsured damage to a unit simply because the problem originated in, on or from the common elements. Instead, the Association is only liable for the deductible amount if negligence on its part, as determined by competent legal authority (court), caused the problem. Therefore, the Association is **NOT** liable for damage caused to an apartment by a common element, such as an overflow from a drain line, a pipe leaking, etc.

- The Managing Agent is the only party authorized by the Board to submit a claim to the insurance company to determine potential coverage. If the total amount of expected damage is less than the deductible amount, a claim will not be filed since no money would be available. Filing such claims could adversely affect the Association's insurability.

Fire Claim

1. Call 911. Give them specific details especially you unit number.
2. Sound the fire alarm.
3. Close your door and leave the unit – do not lock your door.
4. Instantly report to the Resident Manager.

Liability Claim

1. If necessary, call 911 to provide medical attention
2. Report the incident to the Resident Manager
3. Complete an Incident Report
4. Get the names and phone numbers of the injured person(s)
5. Get the names and phone numbers of any witnesses.
6. Call your homeowners carrier and report the claim.
7. Resident Manager will send an incident report to the Account Executive

Incident Report

Report Date: ______________________ Report Completed By: ____

Date of Occurrence: ______________________ Time: ______________________ AM / PM

Incident Type: ☐ Fire ☐ Theft ☐ Water Leak ☐ Vandalism ☐ Utilities ☐ Other: ______________________

Units Involved (if applicable):

Attach additional page if more units are involved

Unit #	Owner Name	Owner Phone #	Insurance Info *(if available)*

Describe the incident in detail:

Reported To: ____________________________________ Date: _____________ Time: _____________

Were personal injuries involved? ☐ Yes ☐ No If yes, describe:

If utility interruption, indicate: ☐ Gas ☐ Electricity ☐ Hot Water ☐ Pumps ☐ Air Conditioning

Restored? ☐ Yes ☐ No Date: _____________ Time: _____________

Signed: ____________________________________ Title: ____

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LEAK LOG

Date and Time of Leak Reported

_____ /_____ /_____ ____:____ AM / PM

Leak Location (Unit # or Common Area)

Point of Failure (e.g. bathroom, kitchen, lobby ceiling, garage)

Cause of Failure (e.g. the pipe, human error)

If an In-Unit Leak, was it Occupied or Vacant?

Type of Pipe System (Supply Drain, HVAC, Sprinkler, Other)

Pipe Size and material (Copper, Galvanized Steel, Cast Iron, CPVC, PEX, etc.)

Owner/Tenant Policy Triggered?

HOA/Property Management Policy Triggered?

Leak/ Water Damage Notes

Location of Photos, Pipe Samples and Supporting Documents (link to file, file cabinet, etc.)*

LEAK LOG

Date of Emergency Plumbing

Who Repaired It? (Owner, Building Contractors - list all

Contractor included a Warranty?

Emergency Repair Notes

Cost of Emergency Plumbing

$

Date of Other Repairs

Who Repaired It? (Owner, Building Contractors - list all

Warranty Included? List all Contractors

Repair Notes

Cost of Other Repairs($)
e.g. water extraction, drywall, flooring, appliances, etc

$

TOTAL COST (Plumbing + Other Repairs) $