

King Farm Condominium

2020-2021 Insurance Information

Weaver Brothers Insurance Agency is the insurance agent for the Association's buildings and common areas. This memo briefly describes the master insurance policy coverage for the Association, the new change to the Maryland Condominium Act regarding insurance and owners' personal insurance needs.

NEW Change To The Maryland Condominium Act

Effective October 1, 2020, the Maryland Condominium Act §11-114(g)(2)(iii) was amended to read:

"If the cause of any damage to or destruction of any portion of the condominium originates from a unit, the owner of the unit where the cause of the damage or destruction originated is responsible for the council of unit owners' property insurance deductible not to exceed \$10,000."

This new language means that unit owners are now responsible for paying the Association's master insurance policy's deductible, up to **\$10,000**, regardless of fault if the loss originates from within the unit.

What The Association's Master Insurance Policy Covers

The Association's master insurance policy covers the common elements and the units as the unit was originally conveyed including major appliances. The Association's master insurance policy covers building damage caused by perils including fire, lightning, explosion, burst pipes, windstorm, hail, sudden and accidental water overflows, frozen and burst pipes, and more. It also provides liability insurance for persons injured on the common areas, but not inside the units.

What The Association's Master Insurance Policy Does Not Cover

Optional flood and earthquake policy endorsements have not been purchased. The Association's master insurance policy does not cover unit upgrades, renovations, remodeling, normal wear and tear, ground or surface water, household repairs, mechanical breakdown, insect, animal, and vermin damage, Mold, and other normal expenses of home ownership. In addition, the master insurance policy does not insure owners for the following items:

- Building damage less than \$10,000 due to the policy's deductible of \$10,000 per claim
- Damage to personal property and household goods
- Additional living expenses for owners if units are rendered uninhabitable
- Personal liability for injuries inside units or an owner's liability to others resulting from a careless fire, smoke damage, pipe leak or water overflow

How To Make Sure You Have Full Protection

Owners should buy a Condominium Unit Owner's Policy (also known as an HO-6 policy) for their personal belongings, extra living expenses in the event of a loss that renders the unit uninhabitable, personal liability, master insurance policy deductible payment coverage, and additional unit damage coverage. A sewer and drain backup and Mold endorsement is recommended.

Each insurer offers different HO-6 policies. Please check with your individual insurance agent or company to make sure your HO-6 policy will cover the \$10,000 master policy deductible if a loss originates from within your unit.

What To Do In The Event Of A Claim

If you have a potential claim, notify your personal insurance carrier and the Property Manager. The Property Manager and Board of Directors will determine if reporting a claim to the master insurance carrier makes sense based on the extent of the damage. Reporting claims that do not exceed the master deductible is of no benefit to the Association and can increase the insurance premium.

Certificate Of Insurance

Certificates of insurance for a resale or to satisfy a mortgage carrier request can be obtained by calling Weaver Brothers Insurance Associates at 301-986-4400.