

Explanation of Insurance Carried by the Association –

By-Law 8.9 Governs the types of insurance to be carried by the Association:

- The Association shall obtain...insurance against loss of damage to the condominium, common and limited common areas and facilities for all risks of loss excluding such peril as floods, earthquakes, etc.
- Coverage shall be obtained for the full replacement cost of the building

The Board has the authority to also purchase liability and other insurance as it sees fit.

What the Association's Insurance Covers

- Exterior walls, roofs, doors, windows, etc.
- Original quality interior walls, doors, cabinets, bathroom & kitchen fixtures.
- Permanently attached carpeting of a quality equal to that which was originally installed.
- Plumbing pipes and electrical wiring.
- Limited coverage for damage from sewer backup.
- Any liability incurred by the Association for injury or property damage.
- Worker's Compensation for injury.

What the Association's insurance does not cover.

- Your personal property (furniture, appliances, clothing, drapes, etc.)
- "BETTERMENTS" which you or a previous owner made to your unit.
- Your personal liability for injuries to your guests, invitees, visitors and others.

What is a "betterment"

- As the words suggest, a betterment is an improvement made by a condominium unit owner to the interior of their unit which exceeds the original specifications at the time the unit was constructed. A Betterment is not covered by the Association's insurance.
- These improvements could have been made at any time after the building was built, by you or any of your unit's (potentially various) owners, but which constitute an alteration from the original builder's specifications. If something looks like it is from 1998, it is probably still original.

Examples of "betterments"

- Finished basements or carpeted basements.
- Upgrades to cabinets, counters, bathroom & kitchen fixtures.
- Upgraded carpeting.
- Additional cabinets, bookcases, shelves, etc. that you may have installed.
- Additional walls or remodeling that you or a previous owner made.
- Remember, a Betterment is an improvement that you or a previous owner have made that was not included in the original design or specifications of your unit.

Sewer Back-Up Issues

- The Association carries \$10,000 Sewer Backup insurance on each building (not each unit) and liability limit is \$2000 per occurrence.
- This insurance covers damage to the items included in the original construction (furnaces, water heaters, etc.) and the clean-up of the mess.
- This does not cover damage to basement carpeting, paneling, or any basement BETTERMENTS.
- By-law 8.12 governs the type of insurance each owner should carry
Under the by-laws each owner is responsible for carrying insurance on:
 - The contents of your unit
 - Fixtures, furnishings, & personal property
 - Additions, alterations or improvements to your unit (BETTERMENTS)
 - Personal liability insurance.

Why you need liability insurance.

- The Association carries \$3,000,000 (in total) of liability insurance which insures all owners for injury or damage resulting from negligent actions or inactions OF THE ASSOCIATION.
- The Association's policy does not insure owners for their own negligent actions or inactions.
- EXAMPLE: If your guest trips on a power cord or some other object you placed on your porch and is injured as a result, YOU – NOT THE ASSOCIATION – ARE RESPONSIBLE FOR THE INJURY

What your insurance agent needs to know.

- The value of all of your personal property (furniture, appliances, clothes, jewelry, etc.)
- The value of all BETTERMENTS and upgrades in your unit that you or a previous owner have installed.
- You should alert your agent that by purchasing a unit you have waived your right to subrogation.
- Provide your agent with the details of the Association's insurance on your building (available on website).
- Provide your agent with the contact information for the Association's insurance agent.