

Place One Condominium

Policy Statement

Date: August 1, 2022
Policy Statement: 22-33 (Replaces 14-33)
Subject: Insurance Use and Needs

I. Introduction

This Policy supplements information relating to Insurance found in Place One's Master Deed Section XV which, consistent with the Virginia Condominium Act, requires a Master Insurance Policy. Co-Owners are advised to review the Master Deed Insurance provisions for a thorough understanding of Place One policy.

II. Master Insurance Policy

The Master Insurance Policy offers protection to Co-Owners and Lienholders against catastrophic events resulting from fire and other types of disasters including theft and mismanagement. The exact nature of protection is outlined in the Master Insurance Policy which renews annually. In the event of conflict, provisions in the Master Insurance Policy supersede this Policy Statement. In general, and depending on individual circumstances, the extent of protection is described as follows:

- A. Association Coverage.** Protection may be afforded to the association against the following broad types of occurrences:
1. Property Damage caused by fire, wind, rain, plumbing leaks, etc.
 2. Claims alleging bodily injury, property damage or personal injury occurring on the common areas or caused by association activities.
 3. Loss of association funds caused by employee, board or management theft.
 4. Claims alleging mismanagement and/or improper application of law, association policies, rules and regulations.
- B. Unit Coverage.** More limited protection may be afforded to Co-Owners under the concept of "Single Entity Coverage." The extent of coverage is limited to repair and replacement efforts in response to fire, wind, rain, plumbing leaks, etc. The extent of protection is described as follows:

1. Coverage includes replacement cost for fixtures, appliances, cabinetry, wall coverings, etc. for like kind and quality to that conveyed by the original developer according to the original specifications.
2. Coverage does not extend to improvements, upgrades, additions or alterations that existing or previous owner(s) may have made.
3. Coverage does not extend to personal property contents, e.g., computers, appliances, jewelry, etc. within a unit.
4. Coverage does not extend to unit owner personal liability.

C. Master Insurance Policy Deductible. Although coverage is available in many situations, the per claim deductible is high, to the point that its use may not be financially viable. When the Master Insurance Policy is viable, the responsibility for the deductible relates to the problem source. The table below identifies typical problems and related responsibilities.

Damage and Loss Problem Source	Who's Responsible for the Damage	Who's Responsible for the Deductible
1. A problem originating within an individual unit and limited to that unit as a result of negligence on the part of the Co-Owner/Resident or a failure of a system belonging to that unit.	Unit Co-Owner	Unit Co-Owner
2. A problem originating within an individual unit as a result of negligence on the part of the Co-Owner/Resident or a failure of a system belonging to that unit affecting one or more other units and/or common area.	Unit Co-Owner where the problem originated.	Unit Co-Owner where the problem originated.
3. A problem originating as a result of a common system deficiency or other disaster affecting one or more individual units and/or common areas.	Place One	Place One

D. Master Insurance Policy Certificates. Many lien holders require Co-Owners to provide evidence periodically that Place One's Master Insurance Policy is in good standing. Master Insurance Policy Certificates are available upon request to the Management Office.

III. Individual Homeowners Insurance

Because of the limited coverage afforded by the Master Insurance Policy, Place One strongly advises Co-Owners to purchase individual homeowner policies. The high per claim deductible and coverage limitations of the Master Insurance Policy can make its use impractical. Individual Homeowners Insurance often provides broader protection for damage, loss and liabilities. Co-Owners should consider the following as reasons for purchasing individual insurance.

- A. Co-Owners are responsible for damage or loss to their own, another unit and/or common areas as a result of their negligence and/or unit owned system failures.
 - B. The coverage extended by the Master Insurance Policy to Co-Owners does not include:
 - 1. Property damage caused by unit owned systems for which repair costs fall within the Master Insurance Policy deductible.
 - 2. Personal liability.
 - 3. Unit improvements beyond that conveyed by the original developer according to the original specifications.
 - 4. Betterments, such as additions or alterations.
 - 5. Personal property, including contents such as computers, appliances and jewelry, etc.
 - 6. Additional living expenses that may arise if the Co-Owner is forced to vacate the unit for a period of time as a result of damage.
- IV. Renters Insurance.** Individuals who rent are strongly advised to purchase Renters Insurance. Renters Insurance typically offers the tenant protection against their personal property loss and potential liability claims.



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