



## **Do I need special coverage if I live in a Homeowners Association?**

Typically, when you own a home or condo that is within a Homeowners Association, there are common areas, buildings, signs, and more that may be owned by the HOA. The HOA has a master policy that insures these items. However, in the event of a claim against the HOA policy, a deductible may come into play or the damage may exceed the limits on the master policy. If that occurs, the HOA's financial obligation is spread to all households within the HOA. A special coverage on your homeowners or condo-owners policy called "Loss Assessment" can cover most assessments. For example, if the assessment were charged to help cover the cost of damage to the clubhouse caused by a fire, your policy would pay as fire is a covered loss. However, if a flood damaged the same building, your homeowners' or condo-owners' policy would not pay for the assessment.

Assessments are not only charged to cover claims of damage to common elements and areas. Members also may be assessed for claims of bodily injury or property damage against the association's master policy.

Fortunately, you have an option on how much Loss Assessment coverage to include, and the coverage is very inexpensive. If you think you need a higher limit, or have questions about Loss Assessment, give us a call.