

## INSURANCE FAQ

# Meadowwalk Townhomes

Updated: April 2020

Below are the most frequently asked questions and answers regarding insurance. **You are encouraged to provide your personal insurance agent a copy of this letter.**

## What coverage is provided for the benefit of the Owners?

The Association has the following policies in place for the benefit and protection of the Association and its members: Property, General Liability, Auto Liability, Umbrella Liability, Crime/Fidelity, Directors and Officers Liability and Workers' Compensation.

Of these, the most asked about coverage is Property insurance. The Association's Property policy provides coverage for both the Common Elements as well as the Units to the original building standard (to the level originally delivered by the developer). **This does NOT include any Improvements and/or Betterments made over the years by the current or former Owner(s).**

Unit Owners are responsible for purchasing Property insurance for their Improvements and/or Betterments, master policy deductible responsibility (see below), personal contents, jewelry, fine art, additional living expense, loss assessment coverage, etc. The Association policies do not cover items listed in this paragraph.

**Neither the Association, its Management nor its Board is in a position to determine or recommend a dollar value of Property insurance coverage for a Unit Owner.** The amount of Property insurance coverage carried is solely a decision by an individual Unit Owner and/or his/her personal insurance agent.

The Association Property policy has a standard deductible of \$10,000. Other deductibles include: Named Storm Wind/Hail - 1% (but most likely will be 3% starting 9/30/20 - see next page); all other Wind/Hail - \$25,000. All deductibles listed are Per Occurrence and not Per Unit.

The property coverage provided on the Association's policy is at replacement value with no depreciation unless damaged items are not repaired or replaced, in which case depreciation can and most likely will be withheld.

## What should Unit Owners buy to supplement the master policies?

**You need to contact your personal insurance agent to make sure you currently have a Texas Condo Owners Insurance Policy (HO-6).** This policy should provide coverage for your Improvements and Betterments, master policy deductible responsibility, personal contents, as well as any Alternative Living Expenses (ALE) you incur if your Unit becomes uninhabitable as a result of a covered loss.

The HO-6 policy will also provide you with Liability coverage for the inside of your Unit since the Association's General Liability policy only provides coverage for the Common Areas.

Per the Texas Uniform Condominium Act, for all claims that are caused wholly or partly by an act or omission of an Owner, his/her tenants, invitees or guests (including contractors) as well as any claim that does not exceed the master policy deductible, satisfying the Association deductible would be the responsibility of the Unit Owner and/or their personal insurance company.

**You should also ask your personal lines agent about adding, or in some cases, increasing the limit on Loss Assessment coverage.** In most cases, this coverage will pay for an assessment levied by the Association for (i) your share of the deductible for an insured loss (not to exceed the limit specified by your policy) and (ii) your share of a loss sustained by the Association of a type covered by both the Association's insurance and your insurance if the Association's limit is insufficient to cover the full extent of the loss (not to exceed the limit of your Loss Assessment coverage). Additional questions regarding Loss Assessment coverage should be directed to your personal insurance agent as policy language varies by company.

**SPECIAL NOTE:** Unit owners are advised to purchase enough Loss Assessment coverage to cover their share of the Named Storm Deductible. Although the industry standard deductible is 3%, in the past the board has opted to pay additional premium (\$15,000+) to “buy down” that 3% to 1%. This “buy down” premium has been increasing over the years. The more cost effective way for the group to satisfy the deductible would be for Unit Owners to claim it on their condo owner’s policy. This Loss Assessment coverage is very inexpensive (and is usually not subject to your policy deductible) but each Owners needs to confirm with their agent that this coverage is included on their policy in an appropriate amount. **At the 3% Named Storm deductible, the average sized Unit Owner would want Loss Assessment coverage of \$3,000. Please pass this letter on to your agent.**

You should also specifically ask your personal lines Agent about “Wind Driven Rain” coverage, especially if you live on a higher floor that is susceptible to this type of damage.

**You should NOT have a Texas Renters Insurance Policy unless you are a renter.** If you own a Unit and you have a renter, both individuals should have their respective policies.

If you live on the ground floor or have a storage unit on or below the ground floor, **we strongly recommended you purchase a flood policy.** Remember, unless you specifically buy it, you will not have Flood coverage as it is a standard exclusion on all HO-6 policies and must be purchased separately.

## **What should I do if I think a claim should be filed?**

You should report all possible claims to the association manager. The manager will coordinate with our claims department to notify the insurance company. If the claim involves the inside of any Unit, the Unit Owner should contact their personal insurance agent as well.

## **How do I request a Certificate of Insurance?**

Certificate requests can be made by emailing [rachel.williams@alliant.com](mailto:rachel.williams@alliant.com). Requests are usually processed in less than one business day. Once processed, renewal certificates will automatically be sent out with the same delivery method each year when the policies renew.

Thank you,

**The Alliant Community Association Insurance Team**

# *Meadowwalk Town Homes Condominium Association, Inc.*

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## **RULES & REGULATIONS**

### **SECTION 15.01 – RESPONSIBILITY for INTERIOR REPAIRS**

**(Per Board Resolution adopted August 26, 2005)**

Should an owner or resident experience a problem with his/her unit, due to the failure of a common element (e.g., foundation problem, roof leak, central plumbing leak, central power supply outage, etc.), it is that owner's or resident's responsibility (note: ultimate responsibility is the owner's) to immediately notify the Association's property management company, so that corrective action may be taken.

In accordance with the Association's Condominium Declaration and By-Laws, it is also the owner's responsibility to repair and maintain the interior of the unit (e.g., sheetrock, paint, carpet, flooring, doors, windows, etc.), and all personal property or fixtures, even if damaged by the failure of a common element.

The Association, on the other hand, is responsible for repairing and maintaining all common elements, unless the common element was damaged due to the negligence or intentional action of the owner or resident, or his/her tenant or visitor, in which case the cost of repairs is the responsibility of the unit owner.

Owners are responsible for checking their units regularly for interior problems (e.g., plumbing leaks, fire hazards, etc.) that might cause damage to common elements or other units, and for correcting any such problems immediately. Absentee owners and landlords are strongly cautioned not to depend solely on agents or tenants to identify and report such problems.

If in the course of the Association's installation of, or repairs to, a common element, damage is done to parts of the structural interior that are normally the owner's responsibility, the Association will repair such damage.

It is the responsibility of the owner or resident to safeguard all personal property items from potential damage or loss due to Association-sponsored maintenance or repairs.

It is strongly recommended that all owners maintain adequate insurance to cover any damage or loss to the interior of their units and any personal property for which they may be responsible, regardless of the cause of such damage or loss.

# Meadowwalk Town Homes Condominium Association, Inc.

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SPECIAL MEETING of the BOARD of DIRECTORS

August 26, 2005

Resolution Regarding Interior Repairs

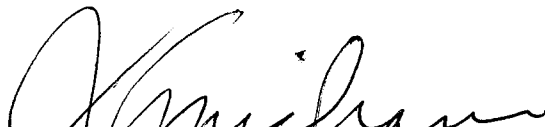
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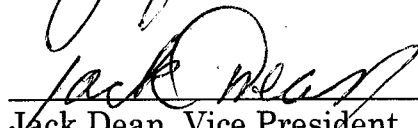
\$20.00


The undersigned, being duly authorized representatives of Meadowwalk Town Homes Condominium Association, Inc., a Texas Non-Profit Corporation pursuant to Article 1396 of the Texas Non-Profit Corporation Act, voted to adopt the following Resolution at a duly called Special Meeting of the Board:

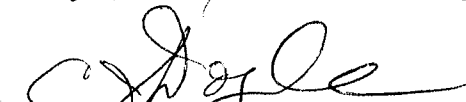
**RESOLVED**, that upon careful consideration and deliberation, with all motions being correctly proposed and seconded, the Rules and Regulations are amended and/or revised to clarify that Owners are responsible for repairing the interiors of their units, even if such interiors are damaged by the failure of a common element such as, but not limited to, a foundation, a roof, the central plumbing, or the common electrical system.

MEADOWWALK TOWN HOMES  
CONDOMINIUM ASSOCIATION, INC.

  
\_\_\_\_\_  
Jay Grisham, President

  
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Jack Dean, Vice President

  
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Mary Ann Schneider, Secretary

  
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C.J. Doyle, Treasurer