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Ella Washington Agency, Inc.  
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**NOTICE:** This letter is available for historical context ONLY and no longer current. Please visit the HOA's website at [www.parkeastsquare.org](http://www.parkeastsquare.org) for the most current insurance information.

**Dear Park East Square Homeowner:**

The Ella Washington Agency, American Family Insurance handles the Master Insurance Policy for Park East Square. Below, you will find a letter explaining what the Master HOA Policy covers and what Unit Owners are responsible for.

The Association's Master Insurance Policy has been written to comply with the insurance requirements outlined in the Association Declarations (Article XII, Section 1-7).

**The Association is to insure the following:**

\*Common Element (Buildings, Structures and Common Areas)

\*Limited Common Elements

\*Interior Structure of what the Builder Originally Installed in the Unit

**The Unit Owner is responsible for insuring the following:**

\* Furnishings including personal property belonging to an owner

\*Betterments and Improvements within an Owners Unit

\* Personal Liability

\* Loss Assessment Coverage of \$10,000 or more (to assure you have coverage on a Special Assessment involving a covered loss under the Master HOA's insurance policy)

*must cover wind & hail*

\*Unit Owners should insure for at least the HOA's deductible (currently \$10,000), for any potential claim caused by a unit owner or their tenant.

\*Below, you will find information regarding American Family's Interior Unit Owner's policy (most insurance companies refer to it as an HO-6 Policy).

**Why should I buy Homeowners' Insurance when my HOA has a policy covering my building?**

The Association is responsible for insuring common areas, such as the building exterior. But often is not responsible for some of the interior of your unit. This could mean you, the unit owner, could be responsible for such items as flooring, cabinetry, counters, window coverings, lights and/or plumbing fixtures, built in appliances, if there were any changes in the unit from its original build condition. These are items that can be covered under your homeowners' policy.

**Why else would I need an HO-6 for my property?**

The HOA's policy will not cover your personal property (contents), but, your HO-6 policy will cover the contents for a wide range of losses, such as: theft, vandalism, fire, water damage from many causes (frozen pipes, roof leaks, accidental over flow from the plumbing system, rupture of a hot water tank, broken washing machine hose), smoke damage, power surges to appliances and other causes of damage built into the policy on a "Replacement Cost" basis.

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**What is "Replacement Cost" coverage?**

This coverage pays the cost to restore or replace damaged or destroyed property without deducting depreciation due to age.

**But I don't have much personal property?**

You may have more personal property than you realize! Before you decide on an amount for your insurance coverage, complete an inventory of your personal property, including the approximate cost (new) of each item. With this information, your agent can assist you to protect your home's contents and other personal property at home or away from home.

**Is there any liability coverage on an HO-6?**

Yes. A policy should come with at least \$300,000 liability coverage. Few people could survive a major LIABILITY claim without facing bankruptcy. The HO-6 provides liability coverage for negligent acts by you, a resident family member, or, a pet which makes you liable to another for bodily injury or property damage. Coverage extends to many activities even when away from home. Such as:

- You run someone over while skiing and cause a serious injury.
- A little league baseball player is hit in the head with a baseball bat, and, you, the unpaid coach, are sued for "Negligent Supervision" resulting in a brain injury.
- While walking your dog, it bites someone and you are responsible for the injuries, time off work, plastic reconstructive surgery, disfigurement and other related damages.

**Some examples of On Premises Liability coverage:**

- You leave the kitchen sink unattended and it overflows resulting in damage to the unit below you.
- You cause a fire in your unit that spreads with fire and smoke damage to several other units.
- A visitor to your home trips over some of the kids' toys and sustains a back injury.

**Does the HO-6 cover any additional living expense?**

Yes, if your home is damaged by a covered peril causing you to move out temporarily, American Family will pay for any necessary increase in living expenses, for up to 12 months. This allows your household to maintain its normal standard of living.

**Loss Assessment Coverage...What is it and do I need it?**

This coverage provides increased limits when an assessment is made by your association, to all unit owners in the association, when damage to the common areas is caused by a covered insurance loss.

**Waiver of Deductible with American Family Insurance**

Any unit owner that has American Family Insurance for their interior HO6 policy qualifies for a Waiver of Deductible, on a structural covered loss when both the Master HOA and unit owner have coverage with American Family.

**An HO-6 typically costs \$20-30 per month.**

**Feel Free to call our office for any questions or concerns about your Insurance  
303-530-3444.**