



October 2015

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Breeza Unit Owners Recap of Insurance Needed for Your Unit

Loss Control Suggestions/Examples of Claims you could be liable for as an owner of your condominium apartment, even those who rent their units:

1. For those with **washing machines** in their apartments, the hose could break, especially if you do not follow manufacturer's recommendation to **turn off the water between uses** and/or if you do not replace the hoses frequently, once per year, if not turned off. Consider replacing water supply hoses with the steel reinforced, heavy-duty ones.
2. **Toilets are easily plugged**, causing a backup of sewage in highrises. Paper towels, dental floss, hair, sanitary products, dirt from house plants, Q-tips, baby wipes, diapers, small toys, mop heads, etc. can cause a blockage.
3. **Bathtubs, shower stalls** and toilets should be regularly inspected and **re-caulked** and **new toilet ring** installed when needed.
4. Your **refrigerator lead-in water hoses should be replaced with copper** or heavy duty plastic as those supplied by the fridge manufacturer are not thick enough plastic to be durable. City codes require replacement of manufacturer supplied lines on installation of a refrigerator in a highrise condo complex as those with the fridge rarely comply. Consider replacing with copper lines.
5. Be sure you **have a plumber check your unit periodically** as you would also be liable to neighbors for water damage you cause in their apartments.
6. If you are **going to be away** from your apartment for more than a few days, **arrange for a friend to look in periodically** and also if possible turn off the water to your apartment as a preventative measure.
7. If you hire a **cleaning person**, you are liable for their actions. You also are liable if they are injured while working for you under **Workers Compensation** statutes.
8. Someone could **fall** and hurt themselves in your apartment or your **dog** could bite someone or you could hit someone while **skiing, golfing**, etc.
9. You are liable for others' actions in or connected with your apartment per CC&Rs. We therefore suggest adding a clause in your **lease requiring tenants to carry personal liability** insurance.
10. It is important that you include in your **contract with any contractors you hire** to do work in your apartment, that they are to name you as **additional insured on their liability coverage**, and also carry workers compensation insurance.

What Insurance Each Unit Owner Needs to Purchase

Condo Homeowners Policy covering (note per CC&Rs you are required to carry your own insurance):

- Unit Owners' Fixtures/Building Improvements (Dwelling section with some insurers) with limit equal to \$10,000 (the association's policy deductible) plus any improvements or upgrades beyond developer supplied items per following excerpts on page 2 from Breeza's CC&Rs.

(d) **Residential Units**. The property insurance maintained by the Association shall also cover any portions of the Residential Units not required to be insured by the Residential Owners pursuant to **Section 11.2**, including without limitation, the following items and components installed by Declarant within Residential Units (and any equivalent replacements thereof): fixtures, interior walls and doors, ceiling, floor and wall surface materials (e.g. paint, wallpaper, mirrors, carpets, and hardwood floors); cabinets, built-in appliances; heating and air conditioning systems, and water heaters.

The Association's property policy for fire, water damage, and earthquake sprinkler leakage insures all these developer supplied items, but per bottom of page 84 of the CC&Rs, owners are liable for the following items for earthquake damage and water damage from other than sprinkler system pipes bursting in an earthquake which are not insured in the HOA's insurance program.

to repair as provided in this Declaration. With the exception of any casualty or damage insured against by the Association pursuant to **Section 12.1** of this Declaration, restoration and repair of any damage to the interior of any individual Residential Unit, including without limitation all fixtures, cabinets and improvements therein, together with restoration and repair of all interior paint, wall coverings and floor coverings, shall be made by and at the individual expense of the Owner of the Residential Unit so damaged, provided however, that nothing contained in this Section shall be construed as a waiver of claims that the Owner of a damaged Unit may have against another Owner who caused the damage. In the event of a determination to rebuild the

- Consider whether insurer can add code upgrade protection to this fixtures coverage.
- \$10,000 Loss Assessment Coverage because you would be charged/assessed the Association's \$10,000 deductible if you cause a water damage loss or are not properly insured per CC&Rs
- Personal Property - consider Fine Arts Floater, Jewelry or Furs schedules, etc.
- Additional Living Expense/Loss of Rents
- Personal Liability – note Personal Liability on homeowners policies also extends coverage to include Workers Compensation for domestic employees (but not contractors you hire). You are required to buy insurance and your lender will require it if you refinance.
- Consider also Personal Umbrella/Excess Liability Policy (limits are in increments of \$1,000,000 on umbrella policies) for higher/excess liability limits for your personal activities, condo apartment, other homes liability, autos and boats, if any, liability.
- Consider adding Earthquake peril. Note: Adding Earthquake does not cover breakage of items; only Fine Arts Floater with breakage endorsement can cover that.

With Allied, Farmers, Allstate, CSAA/AAA, USAA, Safeco and State Farm, et al you may purchase \$50,000 or \$75,000 earthquake loss assessment via the California Earthquake Authority for any assessment from Breeza for uninsured earthquake damage repairs. Breeza carries no earthquake insurance but does have in effect earthquake caused sprinkler leakage only coverage. The earthquake loss assessment personal coverage is available via the California Earthquake Authority but would have only maximum earthquake limits of \$25,000 building fixtures with \$10,000 code upgrade, \$100,000 on contents, and \$25,000 on loss of use. Refer to their website for complete list of subscribing insurers, quote and details: www.earthquakeauthority.com. Most of these insurers do not provide the broad water coverage, but most other insurers do not provide any loss of use coverage if an earthquake renders your apartment uninhabitable and usually do not cover earthquake loss assessment.

Consider Ace/Chubb/Fireman's Fund, Chartis, Safeco, Travelers or any other market who can grant on their broadest forms the same extra water coverage such as wind driven rain damage to interior, backup of sewers and drains, water seepage occurring over more than 14 days, etc. coverage as the Association's insurer, Affiliated. These markets, except Safeco, don't usually cover earthquake loss assessment or any loss

of use caused by earthquakes but do grant full limits for earthquake to match the limits you purchased for improvements/fixtures/code upgrade costs/contents.

Please call us if there are any questions but do purchase a Condominium Homeowners Policy and Personal Umbrella Liability policy as you have assets to protect since you are an owner at the fine Breeza complex.

You also need to insure your unit if you rent it to include fixtures, any personal property, loss assessment, loss of rents and personal liability coverage.

Feel free to send this to your personal insurance agent/broker.

A handwritten signature in black ink, appearing to read 'Dorothy', written in a cursive style.

Dorothy McCorkindale, CPCU
Senior Vice President, Hub International Insurance Services Inc.