

San Lorenzo at Vista Del Verde Community Association

Board of Directors
San Lorenzo Community Association
Yorba Linda CA 92886

September 2021

San Lorenzo Community Insurance Coverage Change - Notification to Owners

To all Association Members (Unit Owners):

1. During the Annual Insurance Review required by the San Lorenzo Community Association' CC&Rs, the Board and Management team discovered that the Association was purchasing insurance duplicating coverage that owners are required to obtain. We worked with our insurance agent to update our Association insurance policy to comply with the CC&Rs and limit future claims that impact the premium and renewal coverage.
2. This Association change of insurance potentially affects Condominium Unit Owners Policy/HO6 insurance coverage required by CC&Rs and mortgage lenders. Owners need to communicate with their insurance agent / company and ensure replacement cost coverage for the real property within the unit is in place by October 28th, 2021. Owners should also ensure that their policy covers a Unit owner's responsible portion for the Association deductible of \$10,000 per occurrence of loss of common/Association real property.
3. **Association Bare Walls Property Coverage:** This covers the real property owned by the HOA. The "common area/common property, with a per occurrence deductible.
4. **Condominium Owner Insurance/HO6 Policy:** This covers an Owner's personal and real property. Each Owner is responsible for insuring his/her personal property and all other property and improvements in their Condominium
 - Dwelling/Real Property (Inside Condominium Unit)
 - Personal Property
 - Personal Liability
 - Loss of use
 - Loss Assessment
5. **Dwelling/Real Property Coverage:** To satisfy FHA & Fannie Mae requirements, when an Association coverage under its master policy is bare walls, ***owners are required to carry their own insurance*** to meet lending guidelines.

6. **Bare Walls Description:** Bare walls covers all real property contained inside the framing.
 - a. It insures the basic building(s) (bare walls, bare roof, and bare floors) it ***does not cover any installations or fixtures within the unit itself.***
 - b. The unit owners are responsibility for insuring fixtures, improvements and alterations that are part of the building structure inside the Unit;
 - i. wall, floor and ceiling coverings, appliances for refrigerating, ventilating, cooking, dishwashing, laundering, security;
 - ii. any other personal property owned by, used by or in the care, custody, or control of a unit-owner.
7. Although the Association maintains the policies of insurance, the Association's policies of insurance may not cover your property, including personal property or real property improvements to or around your dwelling unit, or personal injuries or other losses that occur within or around your dwelling unit.
 - a. Restoration and repair of any damage to the interior of any individual (Unit) Residence, including all fixtures, cabinets and improvements, together with restoration and repair of all interior paint, wall coverings and floor coverings, must be made by and at the individual expense of the Owner of the Residence damaged.
8. Even if a loss is covered, ***you may nevertheless be responsible for paying all or a portion of any deductible that applies.*** San Lorenzo Community Association is \$10,000.
9. Association members should consult with their individual insurance broker or agent for appropriate additional coverage as soon as possible.

Sincerely,

At the Direction of the San Lorenzo Community Association Board of Directors