

Included in this guide is the information you will need regarding insurance coverage if you are or will be:

- 1.) A unit owner at Lakewood Gardens
- 2.) An Insurance agent or underwriter insuring the Association or an individual unit owner's interest at Lakewood Gardens Condominiums.

This guide has been prepared by the Lakewood Gardens Condominium Association to help you understand your insurance requirements.

### **ASSOCIATION'S INSURANCE RESPONSIBILITY**

The Association is required to insure the following: "All buildings and improvements upon the land and all personal property in the common areas shall be insured in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, or 100% of the full insurable value, whichever is greater, as determined by the Board of Directors of the Association." This authority and responsibility is found in paragraph d) on page 6 of the Declaration. The Association also "may at its option, purchase and maintain in full at all times, such other insurance and in such amounts as the Board of Directors shall from time to time determine to be desirable." This authority and responsibility are found in paragraph d) page 6.

With the guidelines for insurance in the above paragraph in mind, our Association has decided to insure the common and limited common areas as well as the standard plumbing fixtures and light fixtures, wiring, plumbing, heating, air conditioning equipment, cabinetry, floor and wall coverings, appliances, countertops, interior walls and floors, all trim, stair railings, windows and doors, glass breakage and storm doors, that are standard to all units.

### **UNIT OWNER'S RESPONSIBILITY**

It is the unit owner's responsibility to insure himself/herself for personal liability, living expenses and personal property. This responsibility is found in paragraph 11.b) on page 5 of the Declaration, and in paragraph 1 of the Second Amendment of the Declaration. Unit owners may also want additions and alterations insurance, which usually has a minimum amount set by each insurance company. This coverage is for any improvements that add value to a unit that is greater than a standard unit. For example, if a very expensive cupboard or rec-room were installed, it should be insured for the increased value it would have over a standard unit. You may wish to have your insurance agent itemize each item in your policy that has a value greater than the "standard" units' value.

A Condominium Homeowners policy (HO-6) will provide the coverage required by the unit owner. If you should move out and rent your unit, you should require your tenant(s) to obtain renter's insurance (HO-4). If you have a unit that is improved and has a value greater than the "standard" unit you should obtain a special policy for that value, to give you adequate coverage. It would cover the difference between the Association's insurance coverage and what you require to cover your additional exposure to loss.