

**IMPORTANT INFORMATION
REGARDING YOUR CONDOMINIUM INSURANCE
ANNUAL NOTICE - DECEMBER 2012**

TO: ALL CONDOMINIUM OWNERS

FROM: BOARD OF DIRECTORS

This notice contains important information regarding your condominium association insurance and the Maryland Condominium Act. Maryland law states that:

- Condominium associations are required to insure the common elements and individual units, except for any improvements and betterments installed in units by unit owners other than the developer.
- If the cause of any damage to or destruction of any portion of the condominium originates from a unit, the owner of that unit is responsible for the condominium association's deductible, up to \$5,000.
- Condominium associations are required to notify unit owners annually of their responsibility for the condominium association's deductible and the amount of the current policy's deductible. **THE CURRENT MASTER INSURANCE POLICY DEDUCTIBLE IS \$5,000.**

The Master Insurance Policy for the Condominium Association provides liability coverage and property coverage for the building, common areas and individual units as handed over by the developer (exclusive of improvements and betterments). However, it DOES NOT provide coverage for the unit owners' personal property, personal liability, additional living expenses, or improvements made to units such as new up-graded flooring, new window treatments, new upgraded appliances, etc. In addition, the unit owner is responsible for the condominium association's deductible up to \$5,000 if the damage or destruction originates from the unit. For example, if your dishwasher has a leak and damages your home or any other home or common area, the first \$5,000 of the damage will be your responsibility.

Therefore, in addition to the Master Insurance Policy for the Condominium Association, EACH UNIT OWNER SHOULD PURCHASE A SEPARATE INSURANCE POLICY, in the unit owner's name, to protect his/her interests. The unit owner's policy should also provide coverage for the master policy deductible up to \$5,000, personal property, additional living expenses, improvements and betterments, etc. Each unit owner should contact their personal insurance agent to make certain they have adequate coverage, including coverage for the master policy deductible up to \$5,000. If you are unsure what to ask your insurance agent, send them this letter and ask them for guidance.

It is very important that you take the time to review this information with your personal insurance agent and ensure that you are properly covered.