



CORONADO SHORES CONDOMINIUM ASSOCIATION NO. 9

HOMEOWNER (HO6) INSURANCE REQUIREMENTS (Adopted June 27, 2023)

All members of the Coronado Shores Condominium Association No. 9 (the “Association”) shall, under section 11.2 of the CC&Rs, carry insurance policies to protect all interior content of their units. In maintaining its fiduciary duty to the Association, the Board of Directors has adopted the following minimum insurance requirements for all members of the Association. Each owner is ultimately responsible for ensuring that minimums are maintained. All recommended and mandatory minimums are subject to annual review by the Board of Directors.

A. Summary of Minimum Coverages:

a. Building (Dwelling) Property	\$200,000 ¹
b. Personal Liability	\$1,000,000 ²
c. Loss of Use	\$50,000 ³
d. Loss of Assessment	\$50,000 ⁴

1. *The noted value is an example only.* Building (or dwelling) property coverage is determined by the estimated repair cost of your unit. Follow the recommendation of your insurance broker.
2. The Personal Liability minimum is counted as an aggregate of the personal liability minimum and any personal umbrella coverage.
3. *The noted value is an example only.* Loss of Use coverage is dependent on each owners’ particular needs. Follow the recommendation of your insurance broker.
4. *The noted value is an example only.* Not all insurance carriers offer loss assessment up to \$50,000. Owners should carry the maximum allowed by their carrier.

B. Association as Additional Interest – The Association has an interest in all units within the building being insured in case damage is caused to the common area. The Association and all its members expect the responsible party to be properly insured and accept liability.

- a. The Association shall be listed as an additional interest on all homeowner policies. This will ensure that the Association is notified of any changes to or cancellation of the policy.
- b. This is not to be confused with an additional insured. The Association does not share ownership of any individual unit, so should not be listed as an additional insured.

C. Personal Liability – Provides coverage for bodily injury, personal injury, and property damage caused by the owner’s operations or lack of unit upkeep. This includes coverage if someone should become injured within the unit, or if damage is caused to common areas or neighboring units when the damage originates within the unit. All owners **MUST** have a minimum of \$1,000,000 liability coverage.

Note: An Umbrella policy is one which provided coverage beyond existing limits. In the case of personal liability minimums, the umbrella coverage is counted toward the \$1,000,000 mandated coverage for the Association. E.g., an owner with \$300,000 in

personal liability and a \$2,000,000 personal umbrella essentially carries \$2,300,000 in liability coverage; far exceeding the value mandated under these requirements.

- D. **Loss of Use** – Provides coverage for expenses associated with alternative living accommodations while an owner’s unit is uninhabitable because of damage. This can include hotel stays and meals up to the policy limit. A minimum of \$50,000 is recommended for loss of use coverage.
- E. **Loss Assessment** – Provides coverage for the owner’s portion of special assessments levied by the Association resulting from liability for a loss. Loss assessment is an optional endorsement added to insurance policies within shared communities. Most policies give \$1,000 of coverage. Extra protection can be added through an endorsement. The minimum required for owners is \$50,000 in a loss assessment coverage or the highest allowed by their insurance carrier, whichever is higher. Regardless of coverage, the obligation to pay loss assessments levied by the Association remains.
- F. **Waiver of Subrogation** - A waiver of subrogation is a provision within a policy whereby an insured waives the right of their insurance carrier to seek compensation from losses from a negligent third party. Section 11.8 of the current CC&Rs recommends all owners to waive subrogation rights against the Association. Proof of waiver of subrogation endorsement must be presented along with proof of insurance.
- G. **Rental Units** - Your broker should be made aware if your unit is a rental unit for any length of time. An owner should require any renters to have HO4 insurance to cover their personal belongings. Note: Standard HO6 policies may deny any claims if a unit is rented for less than a year.
- H. **Water Damage Note** - Water damage is the most frequent type of damage in any condominium high rise community. All owners must verify that their insurance policy includes coverage for water damage originating from both common and exclusive use sources and should include backup and overflow of sewers and drains. The Association master policy does not cover damage beyond the unfinished walls. An owner’s personal insurance policy will be responsible for repairs to the unit interior.