



CONDOMINIUM INSURANCE

WHAT YOU NEED TO KNOW

WELCOME!

The following information is intended to be a basic guide for unit owners in understanding how the insurance of the condominium associations covers your unit, and to provide information on the type coverage each owner will need.

For more specific details please see the insurance documents posted under your Condos section of the lakebarringtonshores.org website.

WHAT IS COVERED?

As condominiums the LBS condo associations are governed by the Illinois Condominium Property Act (ICPA) which is a state law that establishes requirements for coverage for all residential condominiums in Illinois.

As per the ICPA, the LBS condominium associations will insure to the full insurable replacement cost; the common elements, the limited common elements; the buildings and units up to the bare walls, floors and ceiling of each unit, and the original fixtures attached within the unfinished perimeter walls, floors and ceiling of an individual unit as installed by the developer.

Attached fixtures include: built-in cabinets, HVAC equipment, hot water heaters, and electrical equipment.

Limited Common Elements include balconies, decks patios, porches, garages, and anything as defined by the governing documents as such.

As required by the ICPA the coverage for the association will also include Ordinance and Law coverage in an amount sufficient to rebuild the buildings and units in compliance with new building codes.

MAINTENANCE VS. INSURED

There are certain items within or part of a unit which may be insured by the association's policy, however, the responsibility to maintain them might remain with the unit owner.

Insurance policies do not provide coverage for maintenance related issues nor normal wear and tear. Insurance companies are peril based and respond when damages to insured property are "sudden or accidental".

DEDUCTIBLES

The associations maintain a deductible of \$25,000 per occurrence.

The ability to assess the deductible back to the unit or units effected by a loss is a right granted the board of directors by the ICPA.

It is important to remember that even if a covered loss occurs and damages property insured by the association policy, but the loss is less than the association deductible, the association is not responsible to compensate the unit owner for the damaged property. Since the loss is below the deductible the unit owner (or owners) insurance will be primary.

UNIT OWNER INSURANCE

As a unit owner you will still need to protect yourself and purchase what is called an HO-6; Condominium Unit Owners Policy.

Important policy features each unit owner must consider:

Special Form or All Risk Coverage: Highest coverage form. It is recommended each owner purchase the coverage that offers the most protection available from your carrier.

Loss of Use: This provides coverage for the expense of staying elsewhere during repairs to your unit after a covered loss.

Loss Assessment: Provides protection in the event your association charges back the association's deductible or any uninsured portion of a loss. Should be set to match \$25,000 deductible; recommendation is to maximize coverage available.

IMPORTANT: Please see full memo to unit owners available on the LBS website for more detail on how deductibles and Loss Assessment may be handled by your carrier.

Water or Sewer Drain Back Up: The association only provides \$25,000 of coverage. It's policy will only cover the property required by the condo act as stated previously. Drain back up is a common cause of loss in LBS, it is recommended unit owners maximize the coverage they can purchase.

Flood Insurance: The association's policies *do not provide coverage for flood*. Each owner is responsible for purchasing flood insurance. While the association is not in a Special Flood Hazard Area, as defined by the National Flood Insurance Program, it would be recommend unit owners close to the lake, or on slopes or downhill consider purchasing this coverage.

Claims

If you experience damage to your unit please contact the management office at 847-382-1660.

Management will evaluate the circumstance and determine if a claim is to be called into the association's insurance carrier

Proof of Coverage

If you have received a request from your mortgage lender for proof of association coverage the request can be made by calling 847-437-2184; or faxing the request to 847-437-2189. Additionally, you may complete the form at the agency website:

www.hollingerinsurance.com/cert-order-request-form/

Association Insurance Agent

If you after reviewing the information provided on the lakebarringtonshores.org website and you still have questions, please contact the association's insurance agent:

Hollinger Insurance Services., 847-437-2184.

Identify yourself as a resident of Lake Barrington Shores and you will be directed to an account rep for LBS.

