



10/01/2024 to 10/01/2025

Lake Barrington Shores Condominium Four Homeowners Association
First Service Residential
64 Old Barn Road
Lake Barrington, IL 60010

Dear Unit Owners:

We are pleased to advise you that Lake Barrington Shores Condominium Three Homeowners Association has purchased insurance coverage through Jacobson, Goldfarb & Scott, Inc. At this time, we would like to give a brief overview of what coverages the Association has purchased, and what coverages should be purchased by the individual unit owners.

Insurance Provided by the Association through The Baldwin Group

The Association's insurance policy provides property insurance on the buildings, on a blanket basis. Included in the definition of the buildings are the unit's fixtures, kitchen cabinets, interior walls, and carpeting as specified in the original building plans. The units are covered up to the standard builder's grade for anything installed by the builder, excluding upgrades or additions.

Coverage is written on a "Special Causes of Loss" basis with a replacement cost endorsement. Please be advised that the policy is subject to a **\$25,000** deductible for covered losses that may be the responsibility of the unit owner. There is also a separate \$25,000 per unit ice damming deductible, which may be the responsibility of the unit owner.

Lake Barrington Shores Condominium Three Homeowners Association's insurance policy provides liability insurance for the association on all common areas. There is no coverage for the individual unit owner's liability under the Association's policy.

Insurance to be purchased by Unit Owners.

You should purchase a Condominium Unit Owners Policy (also known as a HO-6 policy). This policy will essentially cover your personal belongings; furniture, clothing, fine arts, jewelry, etc. Any items of particular value over \$2,000 should be appraised and scheduled onto your policy for the specified value. This coverage should be based on an all risk, "replacement cost basis". This would replace your contents, if totally or partially destroyed by a covered loss, with new items, of like kind and quality, without depreciation. This would be subject to whatever deductible you choose. Sewer back up coverage should be requested for your personal contents and belongings. The Association provides this coverage for damage to the buildings, but not the contents of the unit owners.



A building limit (or Coverage A under the HO-6 policy) of at least **\$25,000** should be purchased. Some of the units, either when originally purchased, or since that time, have added upgrades; better carpeting or padding, different kitchen cabinets, fireplaces, wood floor, upgraded painting, etc. The additional costs of these upgrades are your responsibility. These would be covered under the “Additions & Alterations” section of the HO-6 Policy for the additional cost of any upgrades in the unit. We also strongly recommend that the HO-32 endorsement, or similar endorsement, be added to the policy. This will broaden coverage for Additions and Alterations to Special Causes of Loss versus named perils. Unit Owners should also advise their personal insurance agent of the Association's property deductible, to ensure coverage is added to the appropriate section of their policy. Depending on the insurance carrier, these deductibles are typically covered either under the building limit, Coverage A, or as a loss assessment.

Also included in the HO-6 policy is personal liability of the Unit Owner(s). This covers the individual's personal liability arising out of the ownership of the unit, and we recommend a limit of at least \$500,000. Additional coverages that should be considered under your policy are; loss assessment, coverage for a liability assessment if levied onto the unit owners by the association. Extra expense and loss of use, if your unit becomes uninhabitable by a covered loss, your additional cost to relocate temporarily would be covered under your HO-6 policy. Coverages should be discussed with your personal Insurance Agent to tailor your coverages to your specific needs.

Unit owners that lease out their units should purchase a fire policy that would cover their unit's upgrades, any contents furnished in the unit, along with scheduling the personal liability arising out of the ownership of the unit onto your primary homeowner's policy. Additional coverages to be considered are loss of rents, if the unit becomes uninhabitable due to a covered loss, the loss of rents could be covered under this policy. Loss assessment is another important consideration.

The unit owner should require that the tenant's purchase a “Tenants Policy” (also known as a HO-4 policy). This would provide coverage on their personal belongings, contents, personal liability, and loss of use. The unit owner should ask to be named as landlord on the tenant's policy.

This brief description does not contain, extend, modify or explain all the clauses, conditions, exclusions, or amounts of coverage under the policies. It only reflects basic coverage in force at the time of printing. Please refer to the individual policies on file with the Association for specific coverage.

If you would like a quote for Condo Owner's Insurance, please contact Debbie Torres from office at 732-837-1010 or at Deborah.Torres@baldwin.com.

If you have any questions regarding the Community's insurance, please contact the account manager, Cassandra Watts, at Cassandra.Watts@baldwin.com or 732-526-1013.

Sincerely,

The Baldwin Group