

Insurance Information for Owners at Kanaloa at Kona

The Association's Master Policy

- Covers the units, buildings, and items as originally conveyed by the developer.
- Built-in appliances and cabinets
- Walls that make up the interior of the dwelling
- Electrical and plumbing fixtures
- Ceiling and flooring

All the above items are covered as originally built. The master policy is primary, however, it has large deductibles.

The master policy has a \$25,000 deductible for perils such as fire, lightning, non-hurricane windstorm, vehicle damage, smoke damage, etc.

The master policy has a \$50,000 deductible for water damage.

The master policy has a deductible equal to 2% of the building value for the peril of a hurricane. There is coverage under flood policies with a \$5,000 deductible.

Any damage below the Master Policy's deductible amount should be covered by each owner's HO6 policy. Most claims will be below the master policy's deductible.

A Condominium Owner's Policy (also known as a Homeowner's HO-6 Policy):

- Covers the Association's deductible if assessed to you for a loss affecting your unit.
- Covers your personal property or household goods.
- Covers the value of any improvements to the unit you or a former owner have made.
- If the unit is rented out, a homeowners policy covers loss of rental income if your tenant must move out while repairs are made after a loss.
- If you live in the unit, a homeowner's policy will pay your additional living expense if you must move out while repairs are made after a loss.
- Provides Personal Liability protection for claims of Bodily Injury or Property Damage.

An individual homeowner's policy **is necessary** to protect you and your unit fully. You cannot rely on just the master policy. If you have fire or hurricane damage, the master policy will take care of items as originally built after damage exceeds the master policy's deductible. Your homeowner's policy will take care of your household goods and may cover your lost rental income.

Owners should advise their insurance company of the Master Policy's \$50,000 deductible for water damage. It is recommended an owner's HO6 policy have as a minimum these limits:

- Dwelling \$50,000
- Loss Assessment \$50,000
- Personal Liability \$300,000

If you or your insurance agent should have any insurance questions, please contact our insurance broker Sue Savio at 808-526-9271.