



Insurance Requirements

A Quick Reference Guide

SUMMARY OF INSURANCE REQUIREMENTS

Deciphering Article IX of the CC&Rs

HOA RESPONSIBILITY	HOMEOWNER RESPONSIBILITY
<p>Real property insurance for common areas and Units to original configuration and equivalent finishes, including fixtures</p> <p>Other property of all types (real, personal, business, etc.) owned by the HOA</p> <p>HOA liability insurance</p> <p>Directors and officers liability insurance</p> <p>Employee fidelity bonds</p>	<p>Customized HO-6 (condominium) policy. Consult your insurance broker regarding your specific coverage needs.</p> <ul style="list-style-type: none"> • Homeowner modifications and upgrades to Unit (condominium real property insurance) • Personal property owned by the homeowner • Homeowner liability insurance • HOA loss assessment insurance (optional)

GLOSSARY OF TERMS USED IN ARTICLE IX

To understand Article IX, one must know the legal meanings of the terms used.

Real Property: The land and anything permanently attached to it, including buildings, structures, and any other improvements made to the property.

Personal Property: Movable items, such as furniture, art, electronics, clothing, and other personal belongings. It differs from real property in that it is not permanently attached to the land or building.

Fixtures: Items that have been attached or affixed to real property in a permanent way (e.g., nailed, glued or bolted) making them part of the real estate. Common examples include cabinetry, counter tops and plumbing installations.

Unit: The term “Unit” is defined in the Villa Marin CC&Rs to mean the real property owned by a person who purchases a condominium, as set forth in California Civil Code Sec. 4185. The boundaries of a Unit are the interior unfinished surfaces of the perimeter walls, floors and ceilings. A Unit includes, for example, carpeting and other floor coverings, cabinets, windows, plumbing fixtures, lighting fixtures, toilets, showers, etc. For a comprehensive list of items included in a Unit, see CC&Rs Sec. 1.28.

HO-6 Policy: A specific type of homeowner’s insurance designed for condominiums. HO-6 policies are individually customized to mesh with the insurance policies carried by the HOA and the needs of the homeowner. Article IX of the CC&Rs requires the HOA to insure the Units, as defined above, up to the level of the original configuration and equivalent finishes. (“Walls-in” coverage.) Thus, homeowners are responsible for insuring only the improvements and upgrades to their real property, and for obtaining personal property and liability coverage. See CC&Rs Secs. 9.1(a) and 9.3(c). *Consult your personal insurance broker for advice on the coverage limits you need.*

Homeowner Liability Insurance: Covers legal costs and, if the homeowner is found responsible for injury or damage to other people or their property, the damages caused. This often includes damage to neighboring units.

HOA Loss Assessment Insurance: A type of insurance that protects condominium owners from unexpected special assessments levied by the homeowners association. This may occur when the HOA’s master insurance policy does not fully cover damages and expenses; the uninsured loss may be passed on to the homeowners as a special assessment. This insurance is recommended but is not required by the CC&Rs. Note: Villa Marin does not currently carry earthquake insurance.