



Brown & Brown Insurance
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Dear Homeowners of Society Hill at Piscataway:

We would like to introduce our agency, Brown & Brown Insurance, as the insurance agency for your Community. We have a dedicated team which specializes in Community Association Insurance that services over 1,000 community associations.

In an effort to assist the Society Hill at Piscataway homeowners in understanding the insurance coverage provided by the Association policy, the following pages include a helpful explanation of coverage. We also recommend that each homeowner contact their personal insurance agent to confirm that the coverages you presently have are coordinated with those of the Community.

Due to the overall loss history for the community, combined with extremely volatility in the condo property marketplace, the insurance renewal in January came with a substantial increase in premiums and deductibles. Not only is it important that all owners carry a personal HO-6 insurance policy, but it is also essential that you understand how to address the internal damage responsibility to your unit. The main property deductible is now \$50,000, with a \$25,000 per unit water damage deductible subject to a \$50,000 minimum per occurrence.

Interior damage to items originally constructed in the unit, up to \$50,000, are the sole responsibility of the owner to insure under Coverage A (Dwelling/Building) on your personal HO-6 policy. In addition, all improvements and betterments made to the interior since it was originally constructed are the owners' responsibility and would be covered under this same limit on your policy. Please make sure that you determine the amount of your total upgrades and then add \$50,000 to that number when setting your personal insurance policy limit for Dwelling coverage.

There is also a \$250,000 deductible related to the peril of fire. In the event of a future fire, I would expect that out-of-pocket community expense to be assessed to all owners in the community. There is a coverage in your personal insurance policy called "loss assessment expenses" that would respond and pay for this unit owner responsibility in the event of a fire damage assessment. Please make sure that this coverage is present on your personal insurance policy as an owner in this community.

Certificates of Insurance

Also, as a service, free of charge, our agency will issue certificates of insurance to your mortgage institutions and banks.

If you need to request a certificate, please email condo.insurance@bbrown.com

When requesting, please include the following information:

- Full name of borrower(s)
- Association Name
- Complete Unit address
- Mortgagee Clause – (Lender name and special address)
- Loan number
- Where to send completed certificate

Explanation of Your Association Insurance

Effective: 1/1/2024 – 1/1/2025

Property Coverage

The master insurance policy for Society Hill at Piscataway provides coverage for the building, including components such as flooring, cabinets, drywall, etc. within the individual units that were initially installed by the builder prior to the original sale of the unit, assuming a covered cause of loss. All improvements and betterments completed after the original sale of the unit are not covered on the Association master insurance policy

The Association master insurance policy will not respond with coverage until the damage exceeds the deductible. Each unit owner is responsible for this deductible. The Association's master insurance policy contains a \$50,000 deductible which is applicable on a per-occurrence basis, a \$25,000 per unit ice damming and water damage deductible (\$50,000 minimum per occurrence for water damage) a \$250,000 per occurrence deductible for fire and losses caused by polybutylene piping.

Homeowner's Insurance

The kind of coverage you, as a homeowner, need to purchase is called an HO-6 Condominium Owner's policy. This type of policy will provide most of the coverage you need to buy on your individual home to properly dovetail the Association's master policy. Your HO-6 policy should provide coverage for:

- **The Association's Master Insurance Policy Deductible:** With some HO-6 companies, you need to specify that you want to cover the Association's deductible. Failing to specify might mean your unit owner's insurance policy (HO-6) may not be set up to cover the Association's deductible. We recommend getting something in writing from your HO-6 agent stating that your HO-6 policy will cover the Association's deductible should you be held responsible for it.
- **Real Property:** Coverage for improvements and betterments made to your home after the original sale of the unit, whether made by you or a previous owner
- **Personal Property Coverage:** Covers your contents and personal belongings.
- **Loss Assessment Coverage:** Protects you in the event a special assessment is imposed by the Association because the Master policy limits were exceeded.
- **Loss of Use:** Covers the cost you incur to live elsewhere when a covered loss renders your unit uninhabitable.
- **Personal Liability Protection:** Provides liability protection for you personally against claims from third parties alleging bodily injury or property damage.
- **Sewer/Sump Back-up coverage:** This coverage is not automatically included on HO-6 policies and may require a special endorsement. The Master policy coverage for sump could be very limited. Please err on the side of caution when deciding on appropriate limits of coverage for building components on or near a sump system.

We also suggest a written inventory with photographs of all your property, building, and contents, to help you document your loss under either the HO6 or Association policy. We encourage you and your insurance agent to call if you have any questions.

Additionally, Renters and Investor owners also need to purchase insurance coverage as well. Both need to protect their liability exposure and need coverage for loss to personal property. Renters should carry HO-4 (renters) policies and Investors should contact their brokers for how best to protect their investment property. Investor owners should require their tenants purchase an HO-4 (renters) policy.

We hope this letter answers your questions. Please call our agency if we can be of further assistance. We look forward to being of service to you and Society Hill at Piscataway.

Thank you,

Brown & Brown Insurance
Community Association Division

THIS INFORMATION IS MEANT TO BE USED AS A GUIDE IN PURCHASING YOUR PERSONAL INSURANCE AND DOES NOT ENCOMPASS ALL COVERAGES YOU MAY NEED. PLEASE CONSULT WITH YOUR PERSONAL INSURANCE AGENT TO DISCUSS YOUR PERSONAL SITUATION AND COVERAGE OPTIONS. NOTHING IN THIS LETTER SHALL CHANGE THE POLICY TERMS, CONDITIONS, WORDING, OR WARRANTIES OF THE ASSOCIATION INSURANCE POLICIES.