

## **IMPORTANT INSURANCE DEDUCTIBLE INFORMATION NEW MARYLAND LAW TAKES EFFECT OCTOBER 1, 2020**

TO: All Homeowners  
FROM: Board of Directors and CVI  
DATE: August 2020

### **YOU NEED TO:**

- Contact your personal insurance agent to make certain you have adequate coverage in your personal homeowner insurance policy (HO6) including:
  - Coverage for the deductible up to \$10,000 because the law changes Oct. 1, 2020.
  - Coverage for personal property, personal liability, additional living expenses, loss of rent if owner rents the condo.
  - Coverage for betterments or improvements made to the unit such as up-graded flooring, cabinetry, countertops or fixtures, upgraded window treatments, up-graded appliances, etc.
- If you are unsure what to ask your insurance agent, send them this letter and ask them for guidance.

**Effective October 1, 2020**, a new Maryland law regarding a condominium unit owner's **deductible responsibility changes from \$5,000 to \$10,000** if a casualty loss originates in a unit or from a component that services only that unit. Since your condominium's insurance deductible is \$10,000, **it is imperative to contact your personal insurance agent that holds your HO-6 insurance policy to increase the deductible coverage from \$5,000 to \$10,000 effective October 1, 2020.**

The **Master Insurance Policy** for the Condominium Association provides liability coverage and property coverage for the building, common areas and individual units as handed over by the developer (exclusive of improvements and betterments).

The Master Policy **DOES NOT** provide coverage for the unit owners' personal property, personal liability, additional living expenses, loss of rent if owner rents the condo, or improvements made to units such as up-graded flooring, cabinetry, countertops or fixtures, upgraded window treatments, upgraded appliances, etc. **In addition, the unit owner is responsible for the condominium association's deductible up to \$10,000 if the damage or destruction originates from the unit.** For example, if your dishwasher has a leak and damages your home or any other home or common area, the first \$10,000 of the damage will be your responsibility.

In addition to the Master Insurance Policy for the Condominium Association, **EACH UNIT OWNER SHOULD PURCHASE IF THEY HAVE NOT ALREADY DONE SO, A SEPARATE INSURANCE POLICY (H06), in the unit owner's name, to protect his/her interests. The unit owner's policy should also provide coverage for the master policy deductible up to \$10,000, personal property, additional relocation living expenses, improvements and betterments, etc.**