

COMMON ELEMENT LEAK GUIDE / CLAIM PROCEDURE:

Please note: Maui Vista’s deductible is \$10,000 and owners are recommended to obtain a minimum “Dwelling” coverage of \$10,000 to cover that deductible.

Common Element Leak:	Who is responsible for what?
<p>▶ ASSOCIATION</p> <p>▶ WHEN OWNERS UNIT HAS DAMAGE</p> <p>▶ DAMAGE OVER \$10,000</p>	<ol style="list-style-type: none"> 1. Common element PIPE leaks are repaired and paid for by the Association. <i>(the association has a deductible of \$10,000. Damage under that amount is the responsibility of the owner’s insurance policy – thus the \$10,000 minimum “Dwelling” coverage recommendation)</i> <ol style="list-style-type: none"> a. <i>In order to repair a common element pipe – the AOA may need to enter the unit above. “Access” repairs will be paid by the Association <u>unless</u> there is visible damage in the unit at which time owner’s would be advised to file a claim.</i> 2. Owners file a claim with their insurance company when “Unit” damage is estimated to exceed the \$10,000 deductible and they will cover: <ol style="list-style-type: none"> a. <i>An adjuster’s assessment of unit damage</i> b. <i>Unit damage less the owner’s deductible up to \$10,000; and</i> c. <u>Restoration/patching of access hole</u> <i>required to repair the pipe.</i> <p><i>Note:</i> Owners can choose their own contractor to restore access damage caused by a common element pipe or AOA can arrange.</p> 3. If damage exceeds \$10,000, the association’s master policy is activated and expenses are coordinated with the owner’s insurance.
<p>▶ ASSOCIATION INSURANCE Governed by 514B:</p>	<p>The association adopted 514B – 143(d) of the Hawaii Revised Statutes in 2007.</p> <p><i>514B establishes that associations are not absolutely liable for any damage which originates from a common element and affects its apartment owners. Nor is the association considered to be an insurer of owners. i.e. the association is <u>not liable</u> to reimburse owners for all damage suffered simply because the problem originated from a common element. From that statute, the board exercised Option III from Section 514B -143(d) which requires the owner of any apartment affected to pay the deductible amount which is \$10,000.</i></p>