

Maui Vista AOA Policy

Title: Homeowners Insurance HO6

Ref # 0004

Date: 3/3/2009

Revision: 9/5/2009

Revision 3/22/13

Revision 6/25/14

Prepared by: Victoria Johnson, GM

Board Approved Date: 3/7/2009

Board Approval Date: 9/5/2009

Board Approval Date: 4/5/2013

Board Approval Date:

1. In August 2007 the Maui Vista Owners voted to approve the requirement that every unit must have adequate insurance.
2. Owners must provide evidence of this insurance to the AOA office at the expiration date annually. A record of the insurance company, policy number, and policy expiry date will be maintained on the AOA data base. A copy of the first page of the Homeowner's Insurance Policy (HO6 - commonly known as the "Declaration Page") should be sent to the AOA every year when the policy is renewed or updated.
3. As of the March 2009 Board Meeting, the Board implemented the following policy: After implementing all contact procedures outlined in items 6 a-d below, the AOA will purchase insurance for the owner who fails to provide the requested information and the owner will be billed for the cost of the insurance and a \$50 fine.

If at any time in the future the owner wishes to obtain separate insurance they are free to do so; however the owner must advise the AOA. Once evidence of insurance is verified, the AOA-arranged insurance will be canceled.

4. Minimum insurance must include:
 - (a) Liability \$500,000;
 - (b) Personal property \$25,000
 - (c) Dwelling \$10,000

Please Note: The AOA has a \$10,000 deductible on its insurance policy which was approved by the Homeowners. The AOA's insurance policy doesn't become activated until after damages have exceeded the \$10,000 deductible.

Example: If your current "Dwelling" coverage is only \$5,000 (and not the recommended \$10,000) and your deductible is \$500, then your personal out-of-pocket expenses will be \$5,500 before the AOA insurance policy activates. The AOA's insurance doesn't activate until damages exceed \$10,000. This is why it is recommended to carry \$10,000 Dwelling coverage.

5. The AOA general insurance policy covers damage to the building *as originally built** with a \$10,000 deductible. This deductible is what must be covered by the individual owner's dwelling/liability coverage, less the deductible of the individual policy which will be \$500. Loss of use \$10,000 and Medical of \$5000 will be included in the minimum policy that AOA will obtain. There is no coverage for any improvements beyond what was originally built. There is no additional wind, storm, hurricane, and rain coverage in the minimum policy.
6. The Association office maintains a log of owner's expiration dates and will send notices to owners upon expiration if a policy has expired and not yet updated. The following procedure will be followed to ensure all owners maintain updated insurance policies.
- (a) Date of Expiration: Reminder email/letter sent to owner that insurance has expired.
 - (b) 2 Weeks after Expiration Date: First letter submitted to owner.
 - (c) 1 Month after Expiration Date: Second letter submitted providing 30 days to comply.
 - (d) 2 Months after Expiration Date: AOA will purchase minimum required insurance in the owner's name and bill the owner for the insurance plus a \$50 fine for non-compliance.

* Please be advised that "*as originally built*" means when the condo was initially built. The "as originally built" costs are adjusted to current values of the original built costs as determined by the insurance adjuster. The AOA does not cover updating/remodeling of any unit.