

Maui Vista AOA Policy

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| Title: Homeowners Insurance HO6 |
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| Ref # 0005 | Prepared by: Jerel Haley GM |
| Revision 3/22/13 | Board Approved Date: 3/7/2009 |
| Revision 4/26/18 | Board Approval Date: 9/5/2009 |
| Revision 8/30/21 | Board Approval Date: 4/26/2018 |
| | Board Approval Date: 11/4/21 |

1. On 2 November 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 expiration date will be maintained on the AOA data base. A copy of the first page of the Homeowner's HO6 Insurance Policy (Commonly known as the "Declaration Page"). This Declaration Page should be sent to the AOA every year when the policy is renewed or updated. Owners can request their insurance agent to forward the required information to the AOA by having the AOA added as a "certificate holder" on their policy.
3. To protect all Maui Vista owners, the Board **requires** the following minimum insurance:
 - (a) Dwelling: \$15,000
 - (b) Personal property: \$25,000The Board strongly **recommends** the following insurance:
 - (c) Loss Assessment: \$10,000
 - (d) Personal liability: \$500,000
 - (e) Loss of use: \$10,000
 - (f) Medical payment to others: \$5,000 each person
4. At the April 2018 Board Meeting the Board implemented the following policy:

"If an owner fails to provide proof of required insurance within 60 days of the termination of their insurance, the Board will purchase a Homeowner's HO6 policy for the owner with the required and recommended amounts as shown above. The owner will be invoiced for the cost of the insurance, a **\$50.00** fine and an administrative fee of **\$200.00**. If owners provide proof of insurance after being invoiced, the policy purchased by the AOA will be cancelled; however, the fine and administrative fee will still be enforced. "
5. The Association office maintains a log of owner's expiration dates and sends 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) Two (2) Weeks after Expiration Date: First letter submitted to owner.

(c) One (1) Month after Expiration Date: Second letter submitted providing 30 days to comply.

(d) Two (2) Months after Expiration Date: AOAO will purchase an insurance policy in the owner's name and bill the owner for the insurance plus a \$50.00 fine for non-compliance and a \$200.00 administrative fee.

(e) This purchased insurance policy will have both the required insurance and the recommended insurance coverage. There is no additional windstorm, rain or hurricane coverage in the policy.

6. Failure to pay the cost of insurance, fine and administrative fee may result in a lien on the property.

7. The AOAO general insurance policy covers damage to the building as **originally built** with a \$15,000 deductible for water leak incidents and a \$10,000 deductible for other incidents. This deductible is what must be covered by the individual owner's dwelling/liability cover, less the deductible of the individual policy which is usually \$500.

"As originally built" means when the condo was initially built. The AOAO does not cover updating/remodeling of any unit.

8. Additional information: The AOAO had a \$10,000 deductible on its overall insurance policy which was approved by the Homeowners. In August of 2021, the insurance carrier notified the AOAO of an increase in the deductible amount for any water leak incident to \$15,000. The AOAO's insurance policy doesn't become activated until after damages have exceeded the \$10,000 deductible for most incidents, or \$15,000 for water leak incidents.

Example: If your current "Dwelling" coverage is only \$5,000 (and not the recommended \$15,000) with a \$500 deductible and the AOAO's insurance doesn't apply until damages exceed \$15,000; then your personal out-of-pocket expenses will be \$10,500 before the AOAO insurance policy activates. Hence the requirement to carry \$15,000 Dwelling coverage.