

# HAZARD INSURANCE ON CONDOS

---

## Types of Insurance

There are two types of insurance required for any Condominium, Planned Unit Development (PUD), or Co-op:

- Homeowners Association (HOA) Policy
- Unit Owner Policy (HO-6)

Most condos, PUDs and co-ops will have a Homeowners Association Policy. However, if the Homeowners Association Policy does not satisfy the coverage requirements, you may also be required to obtain a Unit Owner Policy (HO-6) on your home.

## What is a Homeowners Association (HOA) Policy?

A Homeowners Association Policy, or HOA Policy, is a hazard insurance policy that is maintained and paid for by your Homeowners Association. An HOA Policy typically covers the entire building or complex, and usually covers the common areas that you share with others in your building such as the roof, basement, elevator, boiler and walkways for liability and physical damage.

## Why is an HOA Policy Required?

Fannie Mae, Freddie Mac, HUD, VA and other organizations that are investors or insurers of mortgage loans require that borrowers maintain adequate hazard insurance on homes that secure loans made under their programs, and define what constitutes adequate coverage.

## What Coverage Does My HOA Policy Have to Have?

For loans secured by condos, PUDs and co-ops, investors typically require that borrowers provide an **HOA Policy that has all of the following coverage:**

1. Comprehensive general liability coverage for all structures and common areas within the development
2. Fidelity coverage to protect against acts committed by employees of the association
3. 100% coverage for the replacement cost value (RCV) of the structures and common areas
4. 100% coverage for the insurable replacement cost value of project improvements, including the individual condo units
5. "All-In" coverage
6. Coverage for "fixtures and equipment, betterments and improvements"

All-In coverage is insurance coverage that includes the perimeter walls, floors and ceilings of the individual units. Coverage for "fixtures and equipment, betterments and improvements" generally covers upgrades that have been made to the unit. "Bare Walls-In" coverage does not cover fixtures and installations within the individual units and will not meet investor requirements.

**If an HOA Policy does not cover the interior of the units, or only includes "Bare Walls-In" coverage, the policy will not meet investor requirements and you will be required to have a Unit Owner Policy (HO-6).**

## Look for this information on your HOA Policy:

The HOA or an authorized representative of the HOA (such as an insurance trustee) should be listed as the Insured.

General liability coverage

Fidelity coverage and coverage for 100% of the insurable replacement cost of the buildings and project improvements, including the individual condo units

The HOA or an authorized representative of the HOA should be listed in the loss payable clause or certificate holder section

ACORD CERTIFICATE OF LIABILITY INSURANCE		DATE (MM/DD/YYYY)			
<b>PRODUCER</b> ABC Insurance Agency, INC. License # 0215194 123 Insurance Lane, Suite 100 Austin, TX 78717		THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.			
<b>INSURED</b> Chris Vista MCA c/o First Property Inc. 711 Normal Street Austin, TX 78717		<b>INSURERS AFFORDING COVERAGE</b> INSURER 1 INSURER 2 INSURER 3 INSURER 4 INSURER 5			
THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. ADDITIONAL LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.					
ENDORSEMENTS	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS
A X	GENERAL LIABILITY	05555-55-55	09/29/2015	09/29/2016	SAFETY/CYBER/CRIME \$ 1,000,000 SUBROGATION/PORTING (REMOVED) (Subrogation waived) \$ 75,000 BIRD BOP (ONLY NEW POLICY) \$ 5,000 PERSONAL AUTO EXEMPT \$ 1,000,000 PERSONAL AUTO EXEMPT \$ 2,000,000 PRODUCTS-COMPLEY ADDL \$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR		/ /	/ /	
	GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> UNIT <input type="checkbox"/> LOC		/ /	/ /	
A	OTHER FIDELITY BOND	05555-55-55	09/29/2015	09/29/2016	DED: \$2,500 1,300,000
A	PROPERTY	05555-55-55	09/29/2015	09/29/2016	DED: \$5,000 50,433,400
A	DIRECTORS/OFFICERS	05555-55-55	09/29/2015	09/29/2016	DED: \$1,000 1,000,000
DESCRIPTION OF OPERATIONS, LOCATIONS, CLASSIFICATIONS AND RISK FACTORS BY ENDORSEMENT/SPECIAL PROVISIONS: INCLUDES UNITS 1-12/ 212 UNITS/ 21 BUILDINGS. Management Company Listed as additional named insured, manager of premises. All Risk Association located in Chula Vista, California. Policy includes 100% extended replacement cost endorsement. Policy includes basic interior fixtures. "Walls-In". Upgrades and improvements are the responsibility of the homeowner to insure, in accordance to the CC&R's. Severability of Interest included.					
<b>CERTIFICATE HOLDER</b> ( ) - First Property Inc 711 Normal Street Austin, TX 78717			<b>CANCELLATION</b> SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE INSURER AGREES TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO DELIGATION OR LIABILITY OF ANY KIND UPON THE INSURER. IT IS SO INTENTED PREMISES.		
			AUTHORIZED REPRESENTATIVE		

## How Do I Get a Copy of My HOA Policy?

You can get a current copy of your HOA Policy from your HOA or its insurance agent.

## What if My Homeowners Association No Longer Exists?

If your Homeowners Association has been dissolved, please provide us with the letter from the HOA stating that they are dissolving and a copy of your standard homeowners insurance policy.

## Is a Unit Owner Policy (HO-6) Required?

You will be required to obtain a Unit Owner Policy (HO-6) if your HOA Policy does not have adequate coverage.

Unit Owner Policies cover a unit owner for direct damage to personal property, personal liability, and medical payments as outlined in the policy. They may also cover additional living expenses if you are the victim of fire, theft, or other loss listed in your policy. **You can obtain a Unit Owner Policy (HO-6) from the insurance company or insurance agent of your choice.**

**Your Unit Owner Policy must meet the following requirements:**

The Mortgagee Clause or Lender's Loss Payable Endorsement must list Broker Solutions Inc., DBA New American Funding, ISAOA.

The amount of coverage must be sufficient to repair your unit to its condition before any loss occurs. Your insurance company or agent can help you determine the appropriate amount of coverage.

The deductible may not be higher than 5% of the face amount of the insurance policy.

EVIDENCE OF INSURANCE	
Policy Number :	
First Mortgage Loan Number :	
Insured's Information	
Location of Property Insured SAME	
Mortgages (listed in order of precedence)/Additional Interested Parties	
FIRST MORTGAGEE BROKER SOLUTIONS, INC. DBA NEW AMERICAN FUNDING ISAOA P.O. BOX 5071 TROY, MI 48067-0071	
Policy period beginning on 09/24/2015 through 09/24/2016 at 12:01 A.M. Standard Time.	
Coverage detail for the property insured	
Policy Type - Condominium Owners	
Policy Limit of Liability	
Section I Building Property Protection	\$62,000
Replacement Cost Included (up to Building Property Protection limit)	
Section I Personal Property Protection	\$50,000
Section II Family Liability Protection	\$100,000
Section II Guest Medical Protection	\$1,000
Loss Assessments	\$50,000
Total Annual Policy Premium	\$387.00 Paid in Full
Personal Property Reimbursement	Y
Deductibles	
\$250 Loss Assessments	
\$250 to loss to the covered property from all other perils.	

## Where Do I Send My Insurance Documents?

Please send your insurance documentation to us at:

**MAIL:**

Broker Solutions Inc.  
Dba New American Funding  
ISAOA  
PO Box 5071  
Troy, MI 48007-5071

**FAX:**

(248) 781-9295

**EMAIL:**

NAFTeam@proctorLP.com

You may also submit your insurance policy online at <https://www.expressinsuranceinfo.com>

For more information contact us at (877) 826-4428 from 7:00 AM to 7:00 PM ET.