

You, the owner, are required to purchase **Condo Owner's (HO-6) Insurance**



Your villa will be a wise investment for years to come. So will the purchase of a Condominium-Owners HO-6 policy. The typical Condominium-Owners policy should at least include Building Additions & Alterations, Personal Property, and Liability coverage.

BUILDING ADDITIONS & ALTERATIONS:

The master regime policies are written as a “condominium form” type policy. This means that the basic interior including flooring, cabinets, countertops, and permanent fixtures are covered under the regime’s policy. If you or a prior owner has made improvements or upgrades to the unit, you may want to consider increasing this coverage to include these alterations on a replacement cost basis. Some carriers may also include the peril of flood or you may be able to purchase separate flood coverage for this.

If there is a covered loss in your unit, you may be responsible for a deductible even if that loss is covered under the Regime’s Master Insurance Policy as per the association’s governing documents and the SC HPR Act. The Master Insurance Policy currently has deductibles up to \$25,000 per unit. The Regime’s policy will not pay until the damage is above this deductible amount. This “gap”, which is the responsibility of the affected owner(s) in a claim situation, can be covered by purchasing additional coverage under the Building Coverage / Additions & Alterations section of your HO-6 policy. For this reason, we are suggesting that owners carry a limit of at least \$25,000 plus their additions or betterments. There may also be circumstances where negligent acts or lack of maintenance would result in the need for more HO-6 coverage.

It is important that each year you review your Master Deed and By-Laws as well as the certificate of insurance provided by your regime’s insurance carrier with your HO-6 provider to assure that you are coordinating all of your policies for the most comprehensive coverage you can buy.

PERSONAL PROPERTY:

This coverage is written on a replacement cost basis and should include wind and hail as well as flood insurance. Property should be insured for 100% of its replacement cost value. Coverage for personal property may also be provided when the unit is rented to others. When considering how much coverage to purchase, take the time to figure out how much it would cost to replace everything in your home if there were a total loss. Keep in mind that there are limitations under the policy for specialty items such as jewelry, watches, furs, fine arts and antiques unless specifically appraised and scheduled. If you rent your villa long term, the tenant is responsible for their own property and liability and should purchase a tenant / renter’s policy.

LOSS OF USE (RENTS/ADDITIONAL LIVING EXPENSE):

If the unit suffers a loss from an insured peril and cannot be used, the policy may provide reimbursement for additional living expense and/or loss of rents. Please be aware that a significant loss could result in your unit not being habitable for an extended period of time so be sure to set your limit for this coverage accordingly.

LOSS ASSESSMENT:

This coverage protects the Unit Owner for certain assessments by the Association/Regime that are imposed to all property owners if there is a loss that would not be covered under the Regime's Master policy or if coverage is exhausted.

COMPREHENSIVE PERSONAL LIABILITY:

Bodily Injury and Property Damage claims should be covered under your HO-6 regardless if your condo is a primary residence, secondary residence, or rental. However, your liability may be limited to losses inside the unit only if it is used for anything other than a primary home.

Again, it is important that you review your Master Deed and By-Laws as well as the certificate of insurance provided by your regime's insurance carrier with your HO-6 provider each year to assure that you are coordinating all of your policies for the most comprehensive coverage you can buy.

Please contact an insurance agent for additional information.

For your convenience, below are a few of the local insurance providers that may be able to meet your specific needs:

**Coastal Plains of the Lowcountry
843-706-3006**

**Correll Insurance Group
888-668-8082**

**Hilton Head Insurance and Brokerage
843-252-0840**

**Kinghorn Insurance
843-686-3911**

**McGinty Gordon & Associates
800-955-4474**

**McGriff Insurance Services
843-815-0522**