

## **BRCA Association and Unit Owner Condo Insurance Coverages**

**Effective June 4, 2021, “Each Unit Owner shall obtain and maintain in full force and effect at all times property and casualty insurance on such Owner’s Unit, including betterments and improvements thereto. The Owner shall provide the Association with a certificate of insurance or other proof of insurance reasonably satisfactory to the Board of Directors evidencing coverage as required hereunder.”**

As of May 10, 2021 the Association’s Property Insurance coverage is carried by West Bend, with Mountcastle Insurance as our Agency. The BRCA policy covers the Common and Limited Common Elements, is blanketed coverage, and has \$25,000 deductible per covered loss except Wind and Hail where the deductible is \$25,000 per building up to \$50,000, or two buildings. *Effective June 4, 2021, when the Amended Declaration was recorded in Buncombe county, the Association Policy will no longer cover the Units.*

### **Covered by the BRCA property insurance policy:**

Common Elements include the Clubhouse and Pool, Log Cabin, gazebo and mailboxes, entrance gate and kiosk, service gate, maintenance building, sports courts and fences, pressure reducing vault and the water tank.

Limited Common Elements are part of the Common Elements, and are those parts of the residential buildings **not** within the Unit boundary such as: Roof, trusses, beams and insulation; exterior walls and studs; floor joists and subfloor; plumbing and electrical up to entry into the Unit including the 3 exterior lights above the garage door; firewalls and load bearing walls; decks, patios, driveways, walkways and front porches. [Foundations are Limited Common Elements but are excluded from insurance coverage.]

### **Covered by Unit Owner Condo policy; Not covered by BRCA property insurance: Units**

Unit boundaries are defined by the Declaration, and have not changed. Those boundaries, fully described in the Declaration excerpt below, are the finished flooring; wallboard; windows, doors and skylights; and ceiling. All cabinets, electrical and plumbing fixtures, built-in appliances, interior partitions and other improvements to the spaces within the Unit are part of the Unit.

**Ask your agent to send a Certificate of Insurance or other proof of coverage to the BRCA Corporate Secretary at corpsecbrca@gmail.com.**

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**Condominium insurance** coverage, typically an HO-06 policy, has many components. The BRCA Insurance Committee strongly recommends discussing coverage options, including those listed below, with your personal insurance agent. Provide the agent with a copy of the Unit Boundary definition and Insurance-related excerpts from the Declaration found at the end of this document. You or your agent can request a copy of BRCA's Certificate of Insurance or the West Bend Property Insurance policy.

### Condominium and Personal Coverages

1. Building Property: Owners are required to carry property and casualty insurance on their respective Units, inclusive of the betterments and improvements. Discuss the amount of coverage you need with your agent, who will be familiar with methods to estimate your replacement costs based on the square footage of your Unit and the value of upgrades made to the Unit. The number of windows and how many are bay windows; how many skylights or sun tunnels; a count and type of exterior doors (front, deck/patio, garage) are all included in the valuation. The Unit Boundary definition will be helpful to your agent, and the floor plan with original square footage can be found at this link:  
[http://beaverdamrun.org/buyer-seller-floor\\_plan\\_locator/](http://beaverdamrun.org/buyer-seller-floor_plan_locator/)
2. Loss Assessment:
  - The deductible for a claim for damage involving your Unit will be determined by your Unit coverage; there will not be an assessment by the Association for Unit damage.
  - The Association's property insurance deductible is \$25,000 for all causes except for Wind and Hail, where it is \$25,000 per building for up to two buildings. Deductibles for damage to Common Element structures could result in an assessment, which would be shared by all Owners.  
Refer to Endorsement HO 04 35 05 11.
3. Perils: You may want to add Endorsement HO 17 32 which broadens coverage from "named perils" to "open perils" meaning the cause of damage does not have to be included in the insurance company's "named" list of causes.
4. Earthquake: The Association has added earthquake coverage for Common Elements; consider adding earthquake coverage to your Unit policy.
5. Water and Sewer Backup: Consider \$25,000 coverage limit for water damage to your home secondary to backup of water or sewer lines, which is often not otherwise covered.

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6. Loss of Use: Also called ALE (additional living expenses), it helps cover housing and living costs if a covered event makes your Unit temporarily uninhabitable.
7. Unit Owners Rental to Others: If your Unit is rented, you should add endorsement HO 17 33 to have liability coverage for the Unit location.
8. Personal Property: Insure for Unit Owner's personal property — that which is not permanently attached to the Unit, including appliances such as a washer and dryer, which are not built-in.
  - Add an endorsement to cover Personal Property at Replacement Cost
  - Consider scheduling valuable items such as jewelry, fine art, silverware, antiques, musical instruments, cameras, golf clubs, etc.
9. Personal Liability and Umbrella Coverages

**The following sections are from the BRCA Declaration:**

### **Section 4.2 Unit Boundaries**

The boundaries of each Unit both as to vertical and horizontal planes are the walls, floors and ceilings of the Units, and in accordance with Section 47C-2-102 of the Condominium Act:

1. All lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring and any other materials constituting any part of the finished flooring, and any other materials constituting any part of the finished surfaces thereof are a part of the Unit; and all other portions of such walls, floors, or ceilings are a part of the Common Elements.
2. If any chute, flue, duct, wire, conduit, bearing wall, bearing column, or any other fixture lies partially within and partially outside the boundaries of a Unit, any portion thereof serving more than one Unit or any portion of the Common Elements is a part of the Common Elements.
3. Subject to the provisions of (2) above, all spaces, interior partitions, and other fixtures and improvements within the boundaries of a Unit are part of the Unit.

The Unit also includes the space within the walls, floors and ceilings of any accessory areas, including enclosed garages, basements and storage spaces. The Unit also includes all exterior doors, window frames, window panes and screens, provided however that the exterior decoration and painting of the exterior surfaces of such doors and window frames shall be the exclusive responsibility of the Association.

Any portion of a chute, flue, duct, wire, conduit, pipe, drain or other facility for the furnishing of utilities and other services to the Unit lying within the boundaries of a Unit is a part of the Unit up to and including the point of entry of that facility

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through the interior surfacing material for the wall or ceiling or the subflooring material for the floor.

In interpreting this Declaration and its plans, the actual physical boundaries of a Unit as originally constructed, or of a Unit reconstructed in substantial compliance with the original plans thereof, shall be conclusively presumed to be its boundaries rather than the metes and bounds expressed in this Declaration, or its Plan, regardless of settling, or lateral movement of the building, and regardless of minor variances between boundaries shown on the Plans, and those of the Unit.

### **Section 8.2 Property and Casualty Insurance**

The Association shall procure and maintain property and casualty insurance on the Common Elements, but not the Units, insuring against all risks of direct physical loss commonly insured against, including fire and extended coverage perils. The total amount of insurance after application of any deductibles shall be in an amount not less than that required by Section 47C-3-113 of the Condominium Act.

### **Section 8.7 Unit Owner's Insurance**

Each Unit Owner shall obtain and maintain in full force and effect at all times property and casualty insurance on such Owner's Unit, including betterments and improvements thereto. The Owner shall provide the Association with a certificate of insurance or other proof of insurance reasonably satisfactory to the Board of Directors evidencing coverage as required hereunder.

Each Unit Owner may obtain insurance at his or her own expense for contents and personal property coverage or any other coverage obtainable and to the extent and in an amount such Owner deems necessary to protect his or her interest; provided, however, that any such insurance shall provide that it is without contribution as against the insurance purchased by the Association. If a casualty loss is sustained and there is a reduction in the amount of the proceeds that would otherwise be payable on the insurance purchased by the Association due to the proration of insurance purchased by a Unit Owner under this Section, such Unit Owner shall be liable to the Association to the extent of such reduction and shall pay the amount of such reduction upon demand and shall assign the proceeds of that Unit Owner's insurance to the extent of such reduction to the Association.

### **Section 9.3 Repair and Reconstruction by Unit Owners.**

Following any casualty to a Unit, the Unit Owner shall promptly repair and restore such Owner's Unit in accordance with the original plats and plans, or shall reconstruct such Unit in a manner compatible with such plats and plans. The Unit Owner shall use reasonable efforts to coordinate such repair and restoration with any concurrent repair and restoration of the Condominium Property being undertaken by the Association.