

TOWNHOUSE VILLAGES AT RIVER WOODS HOMES ASSOCIATION

INSURANCE NEWSLETTER AUGUST-2025

This outline is intended to provide you with a brief overview of the Master Insurance program in place for Townhouse Villages at River Woods Homes Association. Not all coverage and/or exclusions are outlined in this letter.

The following is a general overview of policy provisions and is, of course, subject to the actual policy terms, conditions, and exclusions.

BUILDING COVERAGES – Illinois Union Insurance Company and Homeland Insurance Company of New York

The property policy provides building coverage on a replacement cost basis for the amount shown on your certificate of insurance. The policy provides “Special Form Coverage” protection against direct physical loss or damage to the buildings. This coverage includes, but is not limited to, the following perils: fire, lightning, windstorm, hail damage, falling objects, riots and civil commotion, explosions, smoke damage, removal expenses, vandalism and malicious mischief, damage by vehicles and aircraft, weight of ice, sleet or snow or water damage. **The applicable deductibles are as follows: Water Damage - \$25,000; Flood and Earthquake - \$50,000; Wind/Hail – 1% of Building Values affected by loss, subject to \$100,000 minimum; and all other perils - \$25,000. If several units are damaged by the same occurrence (i.e., Tornado) then the deductible will only apply once. Loss assessment coverage may be available on your HO-6 policy to help offset some of this deductible expense to you, the homeowner. Contact your personal lines agent to clarify. The homeowner will be responsible for paying for whatever portion of the deductible is assigned to the unit. The maximum deductible possible on home/unit is \$50,000.00 and this is the amount you should insure for the loss assessment deductible on your HO-6 policy.**

In addition, part of the insurance requirements moving forward is that only electric or propane grills are allowed. Further, all grills must be at least five (5) feet away from any “covered structure”, meaning both homes and garage buildings. **No charcoal grills are allowed** anywhere in the association.

The major exclusions of your policy are as follows: Nuclear, Biological, Chemical and Radiological loss, Earthquake Sprinkler Leakage, Pre-Existing Property Damage, Asbestos Material, Pollution & Contamination, Marijuana and Terrorism.

The “marijuana” exclusion removes coverage for any property damage as a result of “design, manufacture, distribution, sale, serving, furnishing use or possession of “marijuana”.

The definition of “Building” includes:

- A. *“...Completed Additions” and*
- B. *“...Permanently installed fixtures, machinery, and equipment. Outdoor fixtures” and*
- C. *“...Personal property owned by the association that is used to maintain or service the office, shop, pool, building or structure including fire extinguishing equipment, outdoor furniture, floor coverings, and appliances used for refrigerating, ventilating, cooking, dishwashing or laundering. **AND if not covered by other insurance, additions under construction, alterations and repairs to the building or structure, materials, equipment, supplies and temporary structures on or within one hundred feet of the described premises, used for making additions, alterations or repairs to the building or structure.”***

This means that anything *permanently* installed in a unit, such as appliances, floor coverings, carpet, cabinets, wall coverings, light fixtures and bath fixtures are part of the building and are covered by the property policy, to original builder’s specifications.

PERSONAL PROPERTY COVERAGES

It is not the responsibility of the Association to ensure your personal property. Personal property owned by individual homeowners, which is not permanently installed, (i.e. furniture, clothing, jewelry, and personal effects) should be insured under a Homeowner's Condominium Owners policy (called an HO-6). Contact a personal lines insurance agent to discuss HO-6 insurance if you have not already done so. The HO6 policy should include a Loss assessment deductible of \$50,000 and Improvements and Betterments coverage.

IF THE ASSOCIATION LEVIES A LOSS ASSESSMENT, THE UNIT OWNER IS PERSONALLY RESPONSIBLE FOR PAYING IT, EVEN IF THE UNIT OWNER DOES NOT HAVE SUFFICIENT INSURANCE COVERAGE.

LIABILITY COVERAGES – Cincinnati Insurance Co.

This policy contains a \$1,000,000 single limit of liability applying on a "per occurrence" basis for bodily injury and property damage. This limit of liability protects the Association and each individual homeowner, if a claim arises because of an occurrence on the **common premises** of the Association.

Please note that this liability coverage does not extend to you, the individual homeowner, for your personal liability exposures occurring on that portion of the premises occupied or used exclusively by you! Personal liability exposures include such things as bodily injury or property damage caused by your negligence, libel, slander or defamation. Your personal liability exposures should be insured, along with your personal property, in your own Homeowner's Condominium Owners policy (HO-6).

Here are some examples of liability situations.:

- A. *Someone interested in buying a home in the Association walks across the parking lot to the office. They slip and fall on ice, sustaining bodily injury. The Association's Liability policy will respond to the claim.*
- B. *You are entertaining guests in your home. One of the guests slips and falls in your kitchen and sustains bodily injury. Your personal liability insurance would respond to the claim, not the Association's Liability policy.*

MISCELLANEOUS COVERAGES AND EXTENSIONS

1. The liability policy contains broadened liability coverage's which includes such features as contractual liability protection, host liquor liability protection, and incidental medical malpractice protection.
2. Directors & Officers Liability coverage with United States Liability Insurance in the amount of \$5,000,000. This extends coverage to board members, committee members and other volunteers that help run the day-to-day business of the association.
3. A commercial Crime with CNA Insurance in the amount of \$500,000 is purchased which provides protection for the Association's assets in the event of dishonest acts.
4. Cincinnati Insurance Company also provides excess liability protection in the amount of \$5,000,000. This policy extends the liability coverage for claims arising because of an occurrence on the **common premises** of the Association.

CLAIMS REPORTING PROCEDURES

Should you experience a loss or have knowledge of a loss the following steps should be taken:

1. Call the River Woods office with all the information.
2. Kraus-Anderson Insurance will submit all necessary information to the insurance carrier(s) who will assign an adjuster to investigate the claim and make a loss settlement.
3. Communication is of the utmost importance! Therefore, in the event of a problem or a breakdown of communications, do not hesitate to contact the Claims Department (952.707.8200) with issues or questions.

MORTGAGE CHANGES

If, at any time in the future, you should have reason to change your mortgage company, pay off your mortgage or receive a request from your mortgage company for a Certificate of Insurance, email riverwoods@kainsurance.com. *If you supplied us with the name and address of your current mortgage, and it is correct, then we have already sent them a copy of the Certificate of Insurance. If this is a new lender or information has changed, please also include a copy of their written request with your email request.*

KRAUS-ANDERSON INSURANCE

Kraus-Anderson Insurance is a full-service independent insurance agency which has been located in Burnsville for over 40 years. We offer both commercial as well as personal lines insurance services, if you are a unit owner that is interested in obtaining an HO6 quote with us, please call us at 952.707.8200