

SNHA Insurance Overview

Following is an overview of the Master Policy program managed by the Smugglers' Notch Homeowners' Association, Inc. as a benefit to participating member homes and Regimes.

- **Master Policy** – covers 100% replacement cost for the building properties and structures and some built in furnishings such as cabinets and counters that represent the level of quality of the original furnishings. SNHA obtains this blanket policy for participating full ownership buildings and homes. Participating Townhouse homes are billed for their respective portion as a line-item charge and homes in condominiums pay for this program through their association building and reserve assessments. The program includes the following components:
 1. General liability of the group at \$1,000,000
 2. Terrorism
 3. Earthquake cap at 3 million - \$50,000 deductible
 4. Directors and Officers – for SNHA Board, Regime Directors and volunteer leaders
 5. Umbrella extending liability to \$50,000,000
 6. Fidelity bond on staff handling funds
 7. Records – loss and recovery for SNHA and Regimes

- **Home contents, renter's liability, and loss of use and/or rental income.** Often known as a form HO6 policy for renting homeowners, or generically a unit owner's policy, this policy is a separate policy from the master policy and is the responsibility of the homeowner to obtain and pay for separately. REQUIRED for homes in Smugglers' Rental Program to carry a \$500,000 minimum limit on personal liability.
 1. The homeowner should obtain, maintain, and pay for separately a unit owner policy that is separate from the master policy. Our agent for the master policy has options available that complement the coverage available with the master policy.
 2. You may also shop and select an agent of your choice. Be sure to understand the limits of the master policy so you can be sure your unit owner policy limits your exposure to loss without duplicating or carrying excessive coverage.
 3. Coverage to obtain:
 - "Renter's liability" – your personal liability as a renting homeowner. Many residential type of unit owner policies do not provide this coverage. A MUST HAVE for all homeowners and a REQUIREMENT for homes in the Smugglers' Rental Program. Minimum \$500,000 personal liability REQUIRED>
 - "Loss of rental income or use of your home" – If your home is closed from rental, or blocked out of order because of a covered loss, this coverage will compensate you for the income of the lost rentals, or time without use of your home.
 - Betterments and improvements – If you have made substantial upgrades to your home from the original package of furnishings, counters, cabinets, etc...it is important for you to be sure you carry coverage to limit losses and cover replacements at the upgraded levels.
 - Be sure that your agent is familiar with how your Smugglers' home is used to include all the necessary components for your situation.

- **Insurance Reserve** –The current deductible on the Master Policy is at \$5,000. To assist individual homeowners and Regimes in reducing the out of pocket for \$5,000 deductible in a loss, SNHA maintains an insurance reserve fund with a balance available at the start of the insurance year based on historic data from the loss history. This fund is designed to help cover a loss after the first \$1,000 of the deductible is paid by the property experiencing the loss. The Insurance Reserve Fund then pays from \$1001 to 5,000, after which the master policy insurance carrier pays for the loss. The Fund has been maintained with an annual contribution per home ranging from \$35 – 125 (small to large homes). This contribution is collected along with the annual premium that is paid by the homeowners through their participating Regimes. SNHA then manages this fund separate from other operational funds in an escrow reserve to be used to cover a portion of the losses between the first \$1,000 and the policy deductible amount.

If you have questions, please call the SNHA Office (802 644 5865) or the agent for the SNHA program at Associates of Glens Falls (518-793-3444) and discuss your insurance needs relative to the SNHA Program. Be sure to identify your home as a part of the Smugglers' Notch Homeowners' Association, Inc. program.