



Smith Insurance Associates, Inc.

1120 Bethlehem Pike, Suite 208 • PO Box 858, Spring House, PA 19477 • (215) 542-5959 phone • (215) 542-6990 fax

June 30, 2006

Dear Homeowner:

Effective June 30, 2006, we have the privilege of insuring The Daylesford Lake Condominium Association. In order that we can serve you more efficiently, we would like to clarify the coverage and procedures of the Association's master policy.

Association Master Insurance Policy:

The master insurance policy for Daylesford Lake provides coverage for the entire building. Of course, the coverage provided is subject to the terms, conditions, restrictions and exclusions of the actual policy and would only apply to losses that were caused by covered perils or causes of loss.

Coverage includes those building components within the individual units that were initially installed by the Declarant at the original point of sale. All improvements and betterments completed after the original sale of the home are not covered on the master insurance policy. This coverage is written in accordance with the Insurance section of the Declaration of Condominium for Daylesford Lake.

The Association master insurance policy will not respond with coverage until the damage exceeds the deductible. Each unit owner is responsible for this deductible. Effective June 30, 2006 the Association's master insurance policy contains a **\$25,000** deductible which is applicable on a per occurrence basis for all covered perils. This deductible has been changed from \$50,000 to \$25,000 effective June 30, 2006 so please consult your personal insurance agent to make any necessary changes to your policy.

Condominium Owner's (HO-6) Policy:

The kind of coverage you, as a homeowner, need to purchase is called an HO6 Condominium Owner's policy. This type of policy will provide most of the coverage you need to buy on your individual home to properly dovetail the Association's master policy.

Your HO6 policies should provide coverage for:

- **The Association's Master Insurance Policy Deductible:** With some HO-6 companies, you need to specify that you want to cover the Association's deductible. Failing to specify might mean your unit owner's insurance policy (HO-6) may not be set up to cover the Association's deductible
- **Personal Property Coverage:** Covers your contents and personal belongings. We suggest that you create a written inventory with photographs or a short home video of all your property, building and contents, to help document your loss under the HO-6 policy.
- **Loss Assessment Coverage:** Protects you in the event a special assessment is imposed by the Association because the Master policy limits were exceeded.
- **Loss of Use:** Covers the expenses for you to find a new place to live when your unit is uninhabitable.
- **Personal Liability Protection:** Provides liability protection for you in the event that someone falls or gets injured within your home.
- **Real Property Coverage:** Provides coverage for improvements and betterments made to your home.

www.smithinsurance.com

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- If your insurance agent has difficulty providing adequate coverage for your home, please contact our personal lines agent Gene Ebright via telephone (x128), or complete a request for quote form online at www.smithinsurance.com. We have been insuring Community Associations since their inception and understand the coverages you need. In addition, we have carriers that specialize in HO-6 coverage and can provide you with the most comprehensive coverage at the most competitive rates.

Certificates of Insurance

If you or your mortgage company need a certificate of insurance as evidence of your home being insured, please visit our website at www.smithinsurance.com. An online form for requesting certificates of insurance can be located by clicking the "Certificates of Insurance" link on the home page. Completing this online form is the quickest and easiest way to obtain certificates of insurance from our agency. If you have additional questions about certificates of insurance, please contact Jan Merkel via telephone (x100) or email (jmerkel@siainsure.com). She will need the name and address of the mortgage company and a loan number in order to assist you.

Claims

In the event of a claim, you should first notify your property manager, or a representative of the management office. If appropriate, management will then contact us and a claims representative will be in touch with both you and the Association's management team. You should also notify the company that provides your own insurance if your property is damaged.

We look forward to being of service to you and the Daylesford Lake Condominium Association. If you require assistance from our office, please do not hesitate to contact Nichole Stewart at extension 114 or Brian Friel at extension 115.

Sincerely,

SMITH INSURANCE ASSOCIATES, INC.

www.smithinsurance.com

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