

**Georgetown Square Homeowners Association, Inc.**  
**Master Policy Period 3/1/2021 – 3/1/2022**  
**FREQUENTLY ASKED QUESTIONS ABOUT HO-6 POLICIES**

**What is an HO-6 policy?**

An HO-6 policy is the type of homeowners insurance policy an owner of a condominium, townhome, or patio home should carry when the Association is responsible for insuring the buildings, and the owner resides in the home (not rented out full time). Homeowners who rent out their units need a similar policy also known as a Business Owner Policy (BOP).

**Will my HO-6 policy or BOP pay for any assessment?**

No, an assessment for a capital improvement (ex. remodeling the clubhouse or resurfacing private roads) would not be covered by your HO-6 policy or BOP. An assessment due to an insurable loss may be covered by your policy. The event that caused the damage/loss would have to be a covered cause of loss under your policy (ex. hailstorm).

**What deductibles might I be responsible for as an owner?**

The deductibles for the master property policy are as follows:

- \$25,000 per occurrence for all covered water damage claims
- 5% of the replacement cost of each damaged building for losses due to wind or hail
  - This equates to a deductible of \$1,384,312 or \$10,405 pro-rated per unit

**Why is the Wind or Hail Deductible so high?**

After many years of catastrophic losses in Colorado, carriers began applying a separate wind or hail deductible to Association policies to have the Association self-insure for wind or hail losses. These started out as a higher flat dollar amount, but quickly escalated due to our severe weather to a % of the replacement cost of each damaged building (not the replacement cost of the damaged roof).

**Will my HO-6 policy or BOP always pay the full amount of Loss Assessment printed on the Declarations page of my policy?**

No, unfortunately, many HO-6 and BOP policies have limitations on Loss Assessment payments if the reason for your claim is to pay your portion of the Association's master policy deductible (as assessed). You will need to ask your HO-6/BOP insurance agent about any Loss Assessment limitations on your policy.

**Which policy pays (Association's or mine) if there is a loss inside my unit?**

You should rely on your HO-6 policy or BOP to pay for your building unit interior such as cabinetry, flooring, fixtures and improvements under the "Dwelling" coverage section of the HO-6 policy or BOP. The Association's policy will also not pay for any loss to your personal property, loss of use, or liability within your unit, so you'll need to have proper limits in place as well on your policy for these as well.

**If an event occurs that results in damage to my unit such as water or fire, what do I do to file a claim?**

Immediately contact your HO-6 or BOP carrier. You should proceed with having any emergency repairs made to prevent further damage from occurring and keep all copies of your receipts. Depending on the nature of the event, a claim could also be filed against the association's master policy.

***USI recommends that you immediately share this outline with your HO-6 representative. Your USI representative is Ronda Ashley at [ronda.ashley@usi.com](mailto:ronda.ashley@usi.com) or 719-200-8209.***

