

March 15, 2017

## **IMPORTANT NOTICE: INSURANCE COVERAGES**

Attention Hembree Creek Homeowners:

Many homeowners call our office to inquire about a Certificate of Insurance for their mortgage company or have general questions about insurance coverages. This letter is an attempt to explain what is covered by the Association as well as what type of insurance coverage homeowners are responsible for carrying.

Hembree Creek Condo Association holds two (2) insurance policies. They are property/ liability and flood insurance.

1. Property & liability coverage is with CAU Insurance Company and is serviced by Dreher Insurance. You can call Dreher Insurance directly to obtain your certificate of insurance. Their phone number is 678-205-0224 or you can email [service@dreherinsurance.org](mailto:service@dreherinsurance.org). You will need to provide all pertinent info such as property owner's name, property address, lender's information/mortgagee clause including account number, lender's address, etc. All of that information is usually contained in the letter from your mortgage company when they make a request for a certificate of insurance from you. Dreher insurance usually responds to requests within 24-48 hours.
2. Flood insurance is currently with Wright National Flood Insurance serviced by Brown and Brown Insurance of Georgia. The Association covers all five (5) buildings individually. You can reach Brown & Brown directly at 770-952-7725 or via [www.ecertsonline.com](http://www.ecertsonline.com) and obtain a flood certificate. Follow these directions to obtain a certificate online via [www.ecertsonline.com](http://www.ecertsonline.com).
  - Unit owner will need to register. The code in order to register is just the word "lender". The website will email a 5 digit password for you to use to log in.
  - After logging in, click continue. The website will ask for the first four characters which are HEMB. Hembree Creek will show up as an option.
  - For the current certificate, choose [2016-2017 Flood Insurance Renewals](#).
  - On this page, the mortgage company information goes on the left and the unit owner information on the right. You can also choose to fax or email the certificate if you prefer. If there isn't information that needs to be added to the certificate, almost all of the fields can be left blank.
  - Choose the Save button at the top left, and then scroll down to the Generate Certificate link on the following page.
  - Your certificate has been faxed and/or emailed. There is also a PDF icon where you can view, save, or print the certificate.
  - Renewal Dates:

Bldg 100: March 17  
Bldg 200: January 16  
Bldg 300: February 6

Bldg 400: January 13  
Bldg 500: March 17

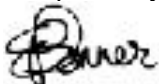
- A homeowner cannot make a claim directly with the Association's insurance companies. They must call CMA to make sure the loss is a covered expense. If it is determined that the loss is covered and the deductible is met, the Board of Directors will decide whether a claim is to be filed. The water loss deductible is \$ 10,000 per unit for a water loss and sewer line back ups and \$5,000 for general property loss. All homeowners need to make sure that your individual insurance policies cover the cost of the deductibles listed above. If your individual policy does not cover the cost of the deductible, you will have to cover the cost out of pocket should you ever need to file a claim against the Association's insurance. This coverage is often referred to as "Loss Assessment". Please contact your insurance company to review your coverage.

- With today's insurance market, the Association needs to be careful and only file claims where the loss is greatly above the deductible held by the Association. In some cases where the loss is less than \$1,000 over the deductible, the Board of Directors may choose to be self-insured and use Association funds to pay the expenses after the appropriate deductible is met.
- There is often confusion as to what is covered by the property insurance. The easiest way to explain this is to say that the Association's insurance policy will replace all that is in your unit when it was purchased before you put any personal items in the unit and before you, or the person you purchased the unit from, put any betterments and improvements in the unit. Examples of betterments and improvements are wood/tile flooring, window treatments, wallpaper, upgrades to kitchen counters and/or cabinets, upgrades to bathroom showers/tubs, etc. If you do not carry the proper coverage, you will have to pay out of pocket to restore your unit to include these betterments and improvements. The association's policy will only rebuild the unit to the original builder grade condition, so to speak, such as carpet, standard cabinets/counters/showers, etc.
- It is very important that homeowners have supplemental insurance. Please speak to your insurance agents to make sure you have appropriate insurance. The common name for this insurance is an HO-6 policy. You must carry insurance to cover the deductible difference, betterment and improvements, liability, and your personal property. You do not need to cover the structure of the unit.

Understanding the Association's insurance policies and what insurance the homeowner needs to carry can be very confusing. Please make sure that your agent understands condominium coverages. If he does not, please find another agent to assist you. If you need any assistance with this, please call me directly. I would be very happy to assist you.

We hope this explanation will help you understand the Association's insurance coverages and what type of individual insurance policy you should carry for your own protection.

Respectfully,



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cc: Hembree Creek Board of Directors