

**Farmers Insurance Agent, Dan Brown Presentation
(and discussion points)**

March 14, 2023

Highlights

HOA 5 has three insurance policies provided through Farmers Insurance:

Basic HOA policy

(Covers our buildings and liability among other things)

Earthquake policy

Workers Compensation policy

(covers our volunteers in the event of injury while volunteering)

Some things covered at the meeting were:

- We now have full replacement cost coverage for our buildings. An outside company determines the coverage amount. That company calculates replacement costs for meeting insurance companies.
- It was recommended that the board consider requiring a higher liability limit on owners' personal townhouse policies so there will be less chance of HOA 5 also having to defend a claim. He suggested a minimum of \$500,000, with \$1,000,000 being the recommended amount by some owners.
- To determine what liability limits to carry on your personal policy, you should plan to at least cover the amount of your personal assets. This liability insurance will not only provide protection for you, but also for HOA 5. Dan explained that if you are carrying adequate liability insurance at the time of a claim, it may keep someone from suing you and HOA 5, and instead settling for the insurance amount.
If and when a change is made, it will not be done arbitrarily, and the amount stated in the Bylaws will be changed.
- He also said that there will always be more items covered on both the HOA insurance and your personal insurance than what you may need. More importantly, there will always be coverage items that you need, but are not covered under either policy. *Some* of those coverages that you might want to add to your policy would be:
 - A separate schedule of items that exceed normal costs...like computer equipment, firearms, expensive antiques, musical instruments, jewelry, and yes, even golf equipment!
 - Back up of Sewers and Drains, covers water damage not covered by HOA policy.
 - Extended replacement cost. Covers even more than replacement cost.
 - Loss Assessment. If a claim exceeds the HOA policy coverage limits, you are assessed your portion of the excess amount. This would cover your portion.
 - Personal cyber security
 - Computer equipment above inside limits of policy
 - Earthquake coverage

Covered for these can be added in the form of an endorsement and should be discussed with your own insurance agent to determine if you want to add endorsements to your own policy that are not covered by either of the basic policies.

There are several more items to consider that are not mentioned above, and many articles on the internet that offer additional information.