

STEPS TO TAKE IN THE EVENT OF A PROPERTY LOSS TO THE ASSOCIATION.

1. Notify the proper authority - fire department, Water Company, Gas Company, Electric Company, and Police Department etc. to respond to the loss.
2. Notify the Management Company and the Insurance Carrier of the loss. Note the unit owners name, address, phone number where they can be contacted, and scope of loss.
3. Have the unit owner put their insurance carrier on notice to respond to damage to their personal belongings, unit upgrades, additional expenses (cost of hotel) and additional living expense should the unit become uninhabitable.
4. Make necessary temporary, emergency and protective measures to prevent further damage. Such measures are often necessary to maintain livability of the premises and to protect property from further loss or damage because of exposure. Reasonable and necessary expenses for the following are covered:
 - a. Boarding up windows and covering openings in roofs and exterior surfaces to prevent damage from wind, water, animals and other causes.
 - b. Drying out, cleaning and disinfecting the building - including the walls and carpets-with extractors, pumps and speed dryers and cleaning and sanitizing materials and equipment.
 - c. Setting up temporary electric, plumbing and heating facilities, where necessary.
 - d. When there is standing water, the electricity should be shut down. You may require a professional to do this.
5. Determine the amount of the loss. Either the association or the unit owner should arrange for a contractor to inspect the unit and prepare an estimate. Have the contractor give a detailed estimate for the cost to repair damage.
 - a. The attached supplemental letter (sample 1) should be sent to the unit owner immediately. This confirms the association's policy deductible and suggests three methods to obtain the estimate. The association should choose the methods you prefer in the situation and send this letter to each affected unit owner. For example, when several units are involved, it is usually advantageous to use the same contractor for all work.
 - b. The attached supplemental letter (sample 2) also confirms the association policy deductible for building coverage. The association may send this letter to any of the affected unit owners HO-6 insurer requesting information on the association's insurance.
6. Assign one person to coordinate the adjustment of the loss. Usually the on-site property manager, or Board Member. All contact should be coordinated through this person by the adjusters and the unit owners.

7. Coordinate the association's insurance adjuster, the unit owners insurance adjuster, and the contractor who will perform the job to go through the affected units at the same time. During this visit the following will be determined:
 - a. The scope of damage is determined. The amount of damage from the covered cause of loss. Which company will be responsible for the damage (unit owners insurance company versus the association insurance company).
 - b. The contractor and adjusters should come to an agreed price for the cost of repairs to be performed.
 - c. Timeframe given for the initial repairs to begin.
8. The contractor begins the repairs to the affected units. Upon completion of the work, a final inspection may be warranted to insure that work has been performed.
9. A proof of loss is sent to the insured to be signed and returned to the insurance company. This reviews the scope of damage being covered by the insurance company, the cost of the repairs, less any deductibles, for a full and final payment made to the association. Upon receipt of the signed proof of loss, payment will be made to the Board of Directors.

THINGS TO KEEP IN MIND DURING THE CLAIMS PROCESS

- Always notify your agent as promptly as possible – it is our job to assist you when a loss occurs.
- Cooperate with the adjusters, who are the insurer's representatives. Be prepared to answer any questions regarding the facts about the origin of the loss.
- When losses are severe, avoid premature guesses, overly optimistic evaluations or quick settlements. Obtain several estimates of repairs or replacements. Even reputable contractors will vary as much as 30% in estimating the same job. The importance of an accurate appraisal cannot be overestimated in adjusting a loss.
- As the loss adjustment proceeds, consult with your agent for advice about preparing your claim. Your agent should also assist you in your negotiations with the adjuster.
- Keep separate work sheets and files on all details. Insist on detailed invoices for all loss expenses.
- Ask permission to begin salvage efforts immediately. The adjuster will then inform you of what the company's position will be.
- In case of vandalism or theft, notify the police promptly.
- Do not remove damaged property until the adjuster has verified and examined it, except to protect the property from further damage. If safety or production necessitates immediate repair or removal, take pictures and document the damage as well as possible.

- Immediate payment is not always realistic. Your insurance contract has conditions to be met and your loss must first be proven. In case of hardship on larger losses, your broker may be able to arrange an advance partial payment, although there is no contractual obligation on the part of the insurers to comply.
- Retain all damaged property; it may belong to the insurers.
- Damaged property may not necessarily be abandoned. Insurers have the option of repairing under the contract.
- Include a detailed breakdown when submitting loss.

SAMPLE LETTER 1

From the association to the unit owner:
When loss or damage to a unit may be below the association policy deductible:

Association: Condominium Association
Date of Loss or Damage: 00/00/00 Unit #

Dear **Unit Owner**:

We have been advised that your unit sustained damage on the date shown above. However, we do not as yet know the extent or the amount of the damage.

This is important because our association's building insurance is subject to a deductible of **\$2,500**. It does not cover any loss or damage to less than or equal to that amount.

In order to determine whether or not the repair costs exceed the deductible, (Alternative 1,2 or 3)

- | |
|---|
| <p>Alternative 1 (Association selects and notifies contractor):
We have arranged for <u>Name of Contractor & phone #</u> to inspect your unit and prepare damage and repair estimate. You should expect a call from this contractor to set up an appointment at your earliest convenience. It is important that any damage be inspected promptly.</p> |
| <p>Alternative 2 (Association selects contractor, unit owner notifies contractor):
Please call <u>Name of Contractor & phone #</u>. They will arrange an appointment suitable to you to inspect your unit and prepare a detailed damage and repair estimate. We ask that you call as soon as possible, because it is important that any damage be inspected promptly.</p> |
| <p>Alternative 3 (Unit owner selects and notifies contractor):
Please obtain fully detailed repair damage or repair estimate from a qualified contractor and send it to us as soon as possible.</p> |

Thank you for your cooperation. Should you have any questions, or need anything further, do not hesitate to contact this office.

Sincerely,

On-Site Manager (or Board Member)

SAMPLE LETTER 2

From the association to the unit owner's homeowners (HO-6) insurer:
When loss or damage to a unit may be below the association policy deductible:

Association: Condominium Association
Date of Loss or Damage: 00/00/00 Unit #
Unit Owner:

Dear **HO-6 Representative:**

This is to advise you that our association's building insurance is subject to a deductible of **\$2,500.00.**
We have attached a copy of the applicable portion of the policy declarations to verify that fact.

Additionally, the attached damage and repair estimate will verify that the loss or damage is below that deductible amount. Consequently, this loss is not covered by our association's insurance and our insurer has no obligation to make any payment.

Very truly yours,

Association Representative.

STEPS TO TAKE IN THE EVENT OF A LIABILITY LOSS TO BY THE ASSOCIATION.

1. Damage to property of others or bodily injury to persons other than employees arising out of the Association.
2. Claims should be routed to the JGS claims department.
3. An Incident Report form should be completed and sent to JGS.
4. If you have access to a fax machine, to expedite claims, simply fax the completed form with any supporting documents to (732) 834-0233 attention Joanne Russo.
5. In the event of an accident involving various personal injury or death, the incident must be phoned or faxed immediately to our office.
6. In the event of receiving a lawsuit or conciliation court order, a copy should be sent immediately to JGS via Fax along with any pertinent information regarding the suit (correspondence, incident report, etc.).
7. It is important that all witness names and addresses be identified so that the claims investigator can get complete statements.
8. If possible, take pictures of the incident scene.
9. Do not admit liability -- or give statements to anyone other than the state's claim investigators or our attorneys.

THINGS TO KEEP IN MIND FOR LIABILITY CLAIMS

- Obtain claimant's name, address and telephone number. If there are any witnesses, make sure to get their names, addresses and telephone numbers.
- If an ambulance was called, write down the name of the ambulance company and the hospital and be prepared to describe how the accident occurred.
- Submit all the information to your carrier or to the agent.
- Send reports to your carrier in the event that an additional witness surfaces after you have filed your initial report.
- It is best not to discuss the accident with anyone except your agent, your attorney, and the representatives of your insurance carrier or your claims service contractor. You should also be careful not to admit liability or to offer your opinion of liability to anyone.

PROPERTY LOSS NOTICE

(To be completed by management. The claim should be reported immediately to enable the assignment of professional adjusters and to maximize loss recovery.)

Name of Community Association		Name of contact Person(s):	
		Phone Number:	
Date of Loss:	Time: am/pm	Date loss was reported:	Property Policy Number:

Exact location of loss:

Police or Fire Department to which loss was reported:

Case Number:

Kind of Loss (fire, theft, lightning, hail, windstorm, flood, other) PLEASE EXPLAIN:

Description of Loss & Damages (please be as detailed as possible, estimates can be used to expedite the claim reporting procedure):

Include all structural damages, contents (electronic equipment), and any anticipated business interruption. Attach damage estimates if necessary.

Name and telephone number of the person responsible for supervising the repairs:

GENERAL LIABILITY INCIDENT REPORT

(To be completed by management
for cases not involving an automobile)

Name of Community Association:		Name of contact Person:	
		Phone Number:	
Date of Accident:	Time:	am/pm	Weather Conditions
Description of Incident (How, where, and why):			
Extent of Damage to Property			
Extent of Injury to Person(s)			
Person(s) Injured (Names, addresses and telephone number's)			
Witnesses (Names, addresses, and telephone numbers):			
Submit Claims to: Joanne Russo JGS Insurance Agency 960 Holmdel Road, Building I Holmdel, NJ 07733 PH 732.834.9800, ext 1021 FX 732.834.0233	Name, Address, Phone of person completing form:		

INCIDENT REPORT

ASSOCIATION: _____ PHONE# _____

DATE OF ACCIDENT: _____ TIME: _____

NAME OF CLAIMANT: _____

ADDRESS: _____ City: _____

PHONE#: _____ State: _____

WHERE ACCIDENT OCCURRED: _____

DESCRIPTION OF ACCIDENT: _____

CONDITION OF AREA WHERE ACCIDENT OCCURRED: _____

WITNESSES: _____

ANY INJURY NOTED: _____

MEDICAL ATTENTION OFFERED: _____

_____ () ACCEPTED () REJECTED

SERVICES REQUIRED: _____

PERSON IN CHARGE OR PERSON ACCIDENT REPORTED TO: _____

ADDITIONAL COMMENTS: _____

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