

# Chadwick Townhomes HOA

P.O. Box 97427  
Raleigh, NC 27624

April 11, 2025

Dear Chadwick Homeowner:

## **RE: BLANKET INSURANCE COVERAGE CHANGE-DEDUCTIBLE INCREASE FROM \$10K TO \$25K**

This letter is being sent to inform you of an important change in the Association's insurance coverage that will be **effective July 1, 2025**. To control our losses and ensure long-term insurability, the Board has decided to increase the deductible on the master insurance policy. The Board consulted with our current agent and solicited information from other agencies and insurance companies and determined that it was in the best interest of the Association and each homeowner to increase the Chadwick master insurance policy deductible from **\$10,000 to \$25,000**. The Chadwick master insurance policy is with State Auto and our agent is the Carter Glass Agency.

What does this mean to you?

- If you are the owner of an owner-occupied unit, you should have personal insurance on your unit, your contents, and personal liability provided by an HO-6 Condominium Unit Owners Policy. This HO-6 policy should currently provide a minimum of \$10,000 Additions and Alterations coverage i.e. coverage on the structure. **This coverage should be increased effectively July 1, 2025, from \$10,000 to \$25,000** to cover the shortfall that the Association's master policy no longer covers. Simply stated, the first \$25,000 loss due to a covered hazard is the responsibility of you, the homeowner. You can cover this loss personally or you can purchase an HO6 policy with the recommended coverage to protect yourself against a \$25,000 loss.
- If you are the owner of a tenant occupied unit, you should have personal insurance to cover the additions and alterations of your unit and loss of rental income provided by a business owner's policy. This policy should currently provide a minimum of \$10,000 coverage. **You should increase this coverage effective July 1, 2025, from \$10,000 to at least \$25,000** coverage to protect the condominium additions and alterations i.e. coverage on the structure. Simply stated, the first \$25,000 loss due to a covered hazard is the responsibility of you, the homeowner. You can cover this loss personally or you can purchase the appropriate insurance with the recommended coverage to protect yourself against a \$25,000 loss.

You need to contact your Insurance Agent and request that the Coverage A (additions & alterations or buildings & additions) portion of your HO-6 policy or business owner's policy be increased to \$25,000. You will see a slight increase in your premium. You should also consult with your agent regarding betterments and improvements, loss of use, loss of income, and any other options that they may recommend.

Finally, the Chadwick Board and Management do not represent themselves as insurance experts but merely try to provide relevant and helpful information. Any questions you have about insurance should be referred to your personal agent and Chadwick's agent, Carter Glass. It is the responsibility of every homeowner to communicate with their insurance agent to obtain the proper insurance coverage and to determine what is right for them.

**Please call your agent today as the change to the Association's master policy will be effective July 1, 2025, and you should have this additional coverage in place as soon as possible.**

Thank you for your prompt attention to this matter.

For the Board of Directors,

Tiare Smiley  
President  
Chadwick Townhomes