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September 29, 2016

**Aria Homeowners Association**  
*c/o Action Property Management, Inc.*  
1441 9<sup>th</sup> Avenue  
San Diego, CA 92101

**Re: Structural Changes to Aria's Master Insurance Coverage**

Dear Aria Homeowner,

Our agency is pleased to have been selected as the insurance service provider for the Aria Homeowners Association for the coming policy year. We look forward to working with both the association and all of its members in providing coverage for the community and answering any and all questions from owners with regard to the association's insurance coverage.

As there are changes to the structure of the association's policy for the coming year, we would like to provide an explanation of the coverage so that all owners may be aware and can provide this letter to their personal insurance brokers/companies for review.

**The Change: Blanketed Unit Coverage and Deductible**

Effective for the coming policy term, the association's insurance property policy will include a \$25,000 deductible for the entirety of units damaged.

- **What does this mean?** While the association's current property policy has a single \$10,000 deductible for all damages, the renewed policies will have a separate deductible for the entirety of damaged residential units. This means that the association's policy would not be able to be utilized for the units unless covered damages to the impacted units exceed a total of \$25,000.
- **Impact on owners.** Overall, the change will likely have minimal to no impact on the coverage limits carried by individual owners. As there is a specified deductible for unit damage, however, in the event of a claim each owner's insurance policy would be responsible for a proportional amount of the deductible based on damages to each unit. For example, if a unit sustains 20% of the damages in a claim, that owner's insurance would be responsible for 20% of the unit deductible.

Should you or your insurance agent have any questions at all, please do not hesitate to let our office know and we are happy to assist!

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