



SOCHER

Socher Insurance Agency
1065 E. Hillsdale Blvd., Suite 425
Foster City, CA 94404-1613

877.317.9300 Toll Free
877.317.9305 Toll Free Fax

hoainsurance.net
CA Broker License No. 0C97535

October 3, 2013

Fieldstone Owners Association
c/o Oliver Management Network, Inc.
P.O. Box 997
Orangevale, CA 95662

Re: Insurance Renewal Proposal

Dear Community Members,

Socher Insurance Agency is the Agency your Board of Directors has chosen to service the Association's property and general liability insurance coverage. The Association's current policy coverage is effective November 2, 2012 and runs for one year. This letter is intended to give you information regarding what property coverage is provided by the Association's policy and what personal insurance coverage you, as a Unit Owner, should purchase yourself. We are also including information you might need should your lending institution contact you about insurance coverage.

FACTS YOU SHOULD KNOW ABOUT THE ASSOCIATION'S PROPERTY INSURANCE COVERAGE:

1. The Association currently has property (building) insurance coverage provided by Travelers Property and Casualty Company of America ("Travelers").
2. The Association's policy includes a property deductible of \$5,000 per occurrence.
3. In general, Travelers will provide whatever coverage is required by the Association's CC&Rs. Article 12.02, section A2 of the CC&Rs requires the Association "*to obtain and maintain a master property insurance policy that satisfies...Units. The standard fixtures originally installed by the Declarant and any equivalent replacements thereto...*"
4. As set forth in CC&R Article 12.02 (A2), the insurance maintained by the Association excludes "*personal property located in the Unit; and excluding any Improvements or upgrades...*"

Shown below is a list of some of the coverage that the Board of Directors recommends the Unit Owners have included in their personal insurance policies. If any or all of these are not included in your policy, we and the Board suggest you add them. To do so, or if you have any other questions about what type of personal insurance you have, you should contact your personal lines insurance agent/broker for details.

Unit Owners ("HO6")/Unit Rented to Others ("HO4") Insurance Policies:

- *Building Property* -- coverage for any upgrades and/or improvements made to the standard construction, whether or not these upgrades were part of the original construction or added later; because the Association's master policy only covers the cost of the standard grade or equivalent replacements, your personal insurance would need to cover the incremental cost of the upgrades.
- *Personal Content Coverage* -- coverage for any personal items that belong to you and not the association.
- *Deductible Reimbursement* -- owners are responsible for the deductible if the damage occurred to their unit; Association is responsible if damage occurred to the Common Area; if damage affects more than one unit and/or Common Area, the deductible is split among those impacted per the CC&Rs (Section 12.02 G1 and G2.)



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- *Personal Liability* -- protects the unit owner from liability losses, such as (slip-and-falls) that occur within your unit and beyond
- *Loss of Use* -- if there is a loss at your unit and you have to stay off premises during the rebuilding process, this coverage will take care of that extra expense.
- *Loss Assessment for Property/Liability and/or Earthquake* -- if a covered loss exceeds the limits of the Association's insurance policy, the Association will have to specially assess the unit owners to make up the difference. This coverage will provide funds to pay such a special assessment.
- *Earthquake Coverage* -- this is a separate policy that includes coverage for minor structural damage to the inside of the unit, for personal property and for loss of use as a result of an earthquake, and for any earthquake loss special assessment.

In the past several months we have noticed that, because of newly-revised lending guidelines issued by Federal agencies that insure residential mortgages, most institutional lenders making re-finance loans are requiring the *Building/Property Coverage* as a qualification requirement.

We are enclosing a copy of the Association's Certificate of Property and General Liability Insurance, as well as step-by-step information about how to go on-line to request a current Evidence of Insurance should your lender need one.

Socher Insurance Agency thanks you for allowing us to service the Association's insurance needs.

Glad to be of service,

Maria Fajardo