



**Nationwide®**

Insurance &  
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June 29, 2015

Mr. Richard Aiple, President  
April Point South Property Owner's Association  
Montgomery, TX 77356

Re: Unit Owner's Personal Insurance

Richard:

Per your telephone conversation with Larry last week a unit owner needs to have a personal policy that 1) insures his/her personal belongings and investment, 2) provides liability protection for a potential lawsuit that could arise on his/her premises, and 3) protects the unit owner from association exposures. *The only type of policy to fully protect a unit owner is a personal condominium policy.* Below we present examples of how a condominium policy would supplement protection of a unit owner when a claim arises where the master policy would respond -

- Should a hail event occur that damages all roofs, the board would have to decide the manner in which to pay the master policy's deductible. If the board elected to assess every unit owner a portion of the aggregate deductible, a personal condominium policy would respond to pay such assessment and the unit owner would have little to no out-of-pocket exposure.
- If a unit owner inadvertently caused a grease fire while preparing a meal at home, there is high likelihood, at a minimum, that smoke could damage adjacent unit(s). Possibly, an entire building could be destroyed. The master policy would respond to pay for repair of all damaged units, less the policy's deductible. The board could elect to require the negligent unit owner who caused the fire to pay the entire master policy deductible. A personal condo policy contains an "addition & alterations" clause which would pay this obligation of the negligent unit owner.
- Pursuant to the association's declaration of condominium filed with the State of Texas, the master policy will build back a building, including the interior finish-out, should total destruction occur (tornado or lightning-caused fire, for example). The master policy will pay to rebuild to the quality as originally constructed. Should a unit owner have upgraded their interior above the standard as originally built (and before the destruction event), a personal condominium policy's "addition & alterations" clause would pay to put the upgrades back in place.

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The Jones Agency provides expert solutions for the insurance and financial needs of our clients. With flexible and friendly service, we make it easy for families and businesses to protect themselves against loss and help them gain financial independence.

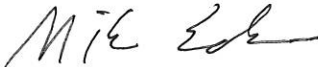
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- When a building is totally destroyed, a unit owner has to find living quarters while the building is being rebuilt. The master policy only pays to rebuild the building. A personal condominium policy will provide monies to pay a unit owner's expenses for temporary housing.

A unit owner must give thought to how much coverage to put in place. The above examples work to the unit owner's satisfaction only when sufficient coverage exists in a personal condominium policy. Also, a personal condominium policy will contain a deductible, but it will be much less than the master policy's. A personal condominium policy is relatively inexpensive.

We would be happy to assist any unit owner who has an interest in fully protecting themselves.

Sincerely,

A handwritten signature in black ink that reads "Mike Eads". The signature is written in a cursive, flowing style.

Mike Eads  
Commercial Agent