



September 2017 - The Sharper Focus



Thank you for reading our newsletter to all homeowners in Associations managed by Sharper Management. The goal of this newsletter is to touch on general ideas and helpful topics as they relate to living in a common interest community. We hope you find this information useful.

Understanding Insurance in a Homeowners Association

Understanding insurance in a multi-unit dwelling/Association can be daunting. What does the Association's master policy cover? What does my personal insurance policy cover (usually referred to as an "HO6" policy)? Which policy kicks in for a particular loss?



Unfortunately, there are a number of variables that makes it impossible to give a universal answer to these questions. Here are some important concepts to understand.

Coverage - In general, the most important thing to do is read your Governing Documents (typically the Declarations) and try to understand what the Association is responsible for insuring. Does it say the Association will insure wall coverings, floor coverings, cabinets, fixtures, etc.? These are some common terms used to state it is an "all in" type of a policy. Another important distinction is whether the Association will or will not insure "betterments and improvements" or is it "original specs." If none of these items are listed, it may be stated or implied that the policy is a "walls out" policy and nothing on the interior of the unit is covered.

You should discuss with your personal insurance agent what the Documents state on insurance coverage. One of the first questions your agent should ask when writing your policy is to review the Governing Documents. It can also be helpful to call the Association's agent and verify what, in fact, the Association has for scope of coverage. Even better, tell your agent they should contact the Association's agent and "cross the T's and dot the I's"

Remember, the role of your HO6 policy is three-fold. 1.) at a bare minimum, to insure construction of the unit (sometimes known as "real property") up to the Association's deductible. 2.) to insure components of the property outside of what the Association's master policy covers. 3.) to insure your personal items/property. In short, understand the Association's insurance coverage and bridge all gaps with your HO6 policy. *** The amount of coverage to carry on an HO6 policy is

completely subjective and up to you, as the owner. Again, at a bare minimum, you want to carry coverage up to the Association deductible on construction already covered under the master policy.

Loss Assessment - Another important aspect of insurance when living in an Association is "Loss Assessment Coverage." Again, read your Governing Documents. Some Association's legally require homeowners to carry this type of policy. Loss Assessment Coverage provides protection to the owner should the Association have a loss that exceeds the coverage limits of the master policy, or should/when the Association assess the owner for their share of the master policy deductible. Loss Assessment Coverage would help the homeowner with such an assessment. The amount to carry is very subjective and up to you and your agent to determine - but at a minimum, it should be equivalent to the master policy deductible.

Deductible - Which brings us to the last important component of Association insurance - deductible. It is very important to know what the Association's master policy deductible is. And to stay on top of it from year to year, as it can change. In most cases, the master policy will not kick in coverage unless a Loss exceeds the deductible. Your HO6 would pay if it is under the deductible. If the Loss does, in fact, exceed the deductible, you/your HO6 would be responsible for the amount up to the deductible.

For example - you live in a condo building and the master policy is an "all in" policy with a \$10,000 deductible. There is a \$15,000 water loss in your unit. Your HO6 policy covers the first \$10,000 - while the Association's policy covers the remaining \$5,000.

To Recap - read your Governing Docs to understand the Association's insurance scope. Talk in depth with your agent and the Association's agent, if needed, to develop an HO6 policy that bridges all coverage gaps and requirements. Consider carrying, if you are not already required to, Loss Assessment Coverage. And finally, stay on top of your Association's policy each year as it renews to make necessary adjustments to your HO6 policy.

Resale Disclosure Documents

A resale package is a packet of vital information provided to those purchasing a condominium or a home in an association. The package includes a complete set of recorded documents that govern your association. Typically, the documents included are: Annual Financials, Articles of Incorporation, Budget, Bylaws, CC&Rs, Insurance Declaration Page, Regular Meeting Minutes, Resale Certificate/Demand, Reserve Report, Rules and Regulations.

If you're in the process of selling your townhome or condo, you may find resale disclosure documents via the Sharper Management website. Visit us at sharpermanagement.com. Look for the Resale Disclosures link in the menu bar. Or, [click here](#).



Happenings from Home - Highlights from the Sharper Management Office

As the Sharper Management family continues to grow, we're happy to introduce a new member of our team.

**Sharper
Management
Expands to
Arizona**



Lance Govang to Lead Expansion



Lance Govang, former President of Associa Minnesota, will lead the Phoenix effort. He will join Sharper Management as Owner, President, and CEO of Sharper Management Arizona.

Govang brings a varied and impressive resume to the Sharper Management team. He possesses over 20 years of property management experience and, since 1995, has specialized in Residential Real Estate and Community Association Management. Awards and designations held by Govang include the Certified Manager of Community Associations (CMCA), the Association Management

Specialist (AMS), and the Professional Community Association Manager (PCAM) from CAI.

"I'm looking forward to bringing the level of service and integrity Sharper Management is known for to the Phoenix area. Phoenix is a growing community with many common interest communities. This is an excellent market for a client-focused company like Sharper Management to expand. Sharper's services will be a wonderful addition to the Phoenix property management community," states Govang.

Things to Do Around Town

Fall is a favorite season for many Minnesotans! We've highlighted some of the things we think will be fun. We've also included a link to the City of Minneapolis for upcoming local events. Enjoy!

<http://www.minneapolis.org/things-to-do/seasonal-highlights/fall/>



Applehouse Plus

State Hwy. 5 and Rolling Acres Road
Aug. 29 - Nov. 1

Purchase apples from a changing inventory of 50 varieties throughout the season - from longtime favorites to recent University of Minnesota introductions, including Zestar!® SweeTango® and Honeycrisp. Plus a variety of specialty food items and merchandise. Lunch Box food truck: Thurs.-Sun., outdoor dining, lawn games for the kids. Proceeds benefit the University of Minnesota's apple research program. For a daily update of available apple varieties, call the AppleHouse information hotline at 612-301-3487. Apples also for sale at the Arboretum Cafe.

Scarecrows in the Gardens

Minnesota Landscape Arboretum

Sept. 16 - Oct. 31

Stroll through the Dahlberg and Morgan Terraces and check out the collection of one-of-a-kind scarecrows. View creations made by Arboretum Staff and volunteers. Also after Sept. 24, view scarecrows made by participants in the Make-A-Scarecrow Saturdays at Scarecrow Village near the Trex Deck. Each garden creature is uniquely designed. Vote for your favorite scarecrows in the People's Choice Awards.

Pumpkin Palooza Display

Minnesota Landscape Arboretum

Oct. 7 - Oct. 31

Find displays of popular, heirloom and unusual pumpkins and squash in the Visitor Center Great Hall and on the Dahlberg Terrace in front of the Visitor Center. Both ornamental and edible categories - in colors ranging from white to purple, orange to green and more!

Need Help Renting and Managing a Townhome or Condo?

Think Advantage Home

A sister company to Sharper Management, Advantage Home helps homeowners and investors manage their single-family residences.



Since your Association is already affiliated with Sharper Management, renting your home through Advantage would have extra benefits you wouldn't find in another property management company. Those benefits include:

- A thorough understanding of Associations
- Information sharing regarding governing documents, rules, and regulations is efficient between Sharper and Advantage Home - Advantage is literally right down the hall
- The Sharper Management maintenance staff is already familiar with your Association's property
- Our emergency response team is fast and effective

If you or someone you know is interested in renting their townhome or condominium, have them contact jeff@advantagehomemn.com.

Learn more at advantagehomemn.com

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