

**RESOLUTION OF THE BOARD OF DIRECTORS OF
ASSOCIATION OF APARTMENT OWNERS OF WAILEA
FAIRWAY VILLAS**

**Resolution On Owner Insurance Deductible Increase to
\$50,000**

WHEREAS, HRS §514B-143(g) provides that if at least a majority of the Unit Owners give their vote or written consent, the Board may require Owners to obtain their own insurance; and

WHEREAS, the Unit Owners considered the following proposal (the "proposal"):

Resolved that the Board is authorized pursuant to Hawaii Revised Statutes Section 514B-143(g), to require every apartment Owner to obtain and maintain their own insurance policy on their units (HO6 or similar).

WHEREAS, a majority of the Unit Owners voted in favor of the proposal.

WHEREAS, the Board of Directors of the Association of Apartment Owners of Wailea Fairway Villas, pursuant to HRS §514B-143(g), is authorized to require each Unit Owner to obtain insurance, in the form of an "HO-6" policy or its equivalent, for the member's own apartment.

WHEREAS, the Board of Directors has determined that it is in the best interests of the Association and its members to require each owner to maintain their own insurance policy on their units.

NOW, THEREFORE, BE IT RESOLVED THAT each Unit Owner shall obtain and maintain an HO-6 insurance policy or its equivalent with the following minimum provisions or such other provisions as may be adopted by the Board of Directors:

1. Liability Insurance of at least \$300,000.00;
2. Dwelling coverage equal to the Association's property insurance deductible (excluding the hurricane deductible) currently \$25,000.00 be increased to \$50,000 plus the value of any improvements to the unit (as compared to the original as built conditions);
3. Personal Property **Coverage**; and
4. **Loss** assessment **coverage** to the extent reasonably available equal to the **Association's property** insurance deductible (excluding the hurricane deductible) currently \$25,000.00 be increased to \$50,000 effective April 28, 2023.
5. This resolution formalizes the enforcement of the attached letter sent to all owners on April 10, 2023 from the Board of Directors.

AND BE IT FURTHER RESOLVED THAT (a) each current Unit Owner shall provide to the Site Manager a copy of the Declaration page of said insurance policy or a Certificate of Insurance by August 31, 2023, (b) each person thereafter purchasing a unit shall provide the same prior to taking possession of the unit, and (c) each Unit Owner shall thereafter provide copies of the Declaration page or Certificate upon each renewal of the policy or upon obtaining replacement insurance so that the Site Manager has evidence of compliance at all times.

AND BE IT FURTHER RESOLVED THAT the Board may purchase the insurance for any owner that does not timely provide the Association with proof of insurance and charge the reasonable premium cost back to the Unit Owner.

AND BE IT FURTHER RESOLVED THAT fines in the amount established by the House Rules shall be imposed on any Unit Owner who fails to comply with any of the foregoing requirements.

AND BE IT FURTHER RESOLVED THAT each Unit Owner be notified of the foregoing requirements.

I, Renee Stigers, Secretary of the Board of Directors of the Association of Apartment Owners of Wailea Fairway Villas, hereby certify that the foregoing is a true copy of the Resolution duly adopted at a meeting of the Board of Directors, duly held on the 21st day of July 2023, and duly entered in the book of minutes of the Association, and that this Resolution is in full force and effect.

DATED: Wailea, Hawaii, July 21, 2023.

 7/21/23
Secretary
ASSOCIATION OF APARTMENT OWNERS OF
WAILEA FAIRWAY VILLAS



April 10, 2023

Wailea Fairway Villas AOA increase of Association Deductible to \$50,000

Dear Owners,

This letter is to notify you that as of **4/28/2023, the Association's Water Damage Deductible will increase to \$50,000.** The level of the deductible was raised due to the previous losses and claims filed on the association's master policy, as well as the availability of carriers willing to provide insurance coverage for the association.

This change in the deductible can have a significant effect on your own homeowners HO6 coverage or personal financial assets, since in accordance with the association's declaration and The Hawaii Revised Statutes 514B-143, (d) The Board, in the case of a claim for damage to a unit or the common elements, may:

- (1) Pay the deductible amount as a common expense
- (2) After notice and an opportunity for a hearing, assess the deductible amount against the owners who caused the damage or from whose units the damage or cause of loss originated; or**
- (3) Require the unit owners of the units affected to pay the deductible amount**

With this higher deductible under the association's policy, it is recommended that each unit owner contact their insurance agent for their homeowners HO6 policy and discuss if there are adequate limits to handle the higher deductible. Since various insurance carriers handle the assessment of a deductible differently, it is very important to discuss with your insurance agent if your coverage limits will need to be increased to adequately handle the **\$50,000 Deductible.**

If a unit owner does not have an HO6 or similar insurance policy, the potential for an assessment of a **\$50,000** Deductible to any unit from which a loss should originate, is significant and a very important reason to carry insurance.

The MINIMUM coverage required is as follows:

- Dwelling \$50,000 plus cost of any upgrades to the unit
- Loss Assessment \$50,000
- Personal Liability \$300,000

Please contact your own homeowners HO6 insurance agent and give them a copy of this letter to make sure that your current policy has adequate limits to provide coverage for this AOA deductible.

The Board is confident that all owners will recognize the benefit of this requirement and will comply as required by Section 4 of the House Rules.

Thank you in advance for your cooperation and assistance with this very important matter.

Sincerely,

Wailea Fairway Villas Board of Directors