

Countryhouse HOA Insurance Forum Q & A – January 20, 2026

This is a summary of the questions and answers from the Insurance Forum on January 20, 2026. Leading the forum: Alan Ziegler, Chair of the Insurance & Safety Committee; Matt Phillips, State Farm agent, to address questions about homeowner insurance; Robert Taylor, Morris Agency to address questions about the HOA master policy; Pat Arnold and Dean Felton from the Insurance & Safety Committee both with extensive experience in the insurance industry.

Q: What is covered by the master policy?

The HOA Master Policy and your HO 6 (or -3) insurance company will go to Covenants Conditions and Restrictions (CC&R's) as filed, first to determine requirements and limitations, then as a general statement the master policy covers common areas, garages, common property and board and volunteer liability, and townhomes, according to those requirements and limitations.

For townhomes/unit-owner structures, the master policy covers 100 percent replacement cost of structure (within the blanket policy limit) and attached fixtures at the original level of build/quality/materials, currently coverage is at \$185 per square foot, reviewed annually. Unit-owners have their own property and legal liability risks and must meet with their advisors to insure against personal exposures or risk of loss/damage, as they see fit.

Q: What is the deductible on the master policy?

The master policy has a \$25,000 deductible per incident (however, if the loss is caused by wind or hail damage it is a 1 percent deductible, per stated value of the structure, per loss - 2 or 3 unit-owners' units are considered as one structure). The Board uses its discretion to determine to whom and how the deductibles are assessed. e.g., the deductible may be assessed to one homeowner if the claim is for a single townhome incident or divided among multiple homeowners if the incident affects multiple townhomes.

See on our website the Hints & Tips (12/2025) handout, Guidelines & Procedures, the HOG and the Loss Assessments supplemental endorsement, and in AppFolio the Shared Documents.

Q: What is considered within the building or structure coverage?

The example given was if your townhome could be turned upside down and shaken, anything that doesn't fall to the ground is covered to the ORIGINAL condition at the

current cost of replacement. (If you or a previous owner made improvements such as upgrading cabinets or flooring, the claim would pay only the amount to replace to the ORIGINAL, not the upgraded, condition). Coverage amount of the master policy is currently \$185/square foot, reviewed and updated annually.

Q: How do I determine the amount of HO-6 coverage (how much building and personal property coverage) I need?

Property: Personal property - consider costs of replacing your furniture, appliances and any upgrades you or a previous owner made to the property. Difference in cost of upgrades from original (or “as built”) features, quality (i.e., upgraded flooring, cabinetry, bath fixtures, wallcoverings, etc.) There are two major property coverage amounts to consider – structure-related and personal belongings related.

- Do you need additional coverage for belongings such as jewelry, guns, art collection? If you have a mortgage, what does your lender require?
- Living expenses/loss of use (housing if home is uninhabitable during repair/construction after insured loss to covered property)
- “Ordinance & Law” expenses post loss, as required by statute or ordinance
- Loss Assessment endorsement to cover the up to \$25,000 deductible on the master policy, or wind/hail 1% deductible per structure, per loss event
- Additional optional coverages such as earthquake, flood, sewer/water backup, utilities, appraised personal property (arts, collectibles, jewelry, antiques, etc.) where the standard policy has limitations
- Don’t forget the items in your garage (other than your car).

Deductible: when determining the amount of your deductible, consider the amount you can pay out of pocket in the event of a claim.

Personal liability: each unit-owner has their own legal liability risks. Also note that activities of the unit-owners (“insured”) is defined within the community HOA, including volunteer activities (consult with the HOA)

See Hints & Tips (12/2025) on the website for Countryhouse HOA

Q: Where do I pay the deductible?

The master policy deductible isn’t a payment; it’s a reduction in the amount you receive from the claim. (Amount of damages \$100,000 - \$25,000 deductible = claim payment is \$75,000. Cause of loss/damage: fire, other than wind/hail)

Q: What extensions or riders to my HO6 are available?

Numerous options are available: Umbrella, medical, flood, water backup, added coverage for items with limited coverage under personal property (jewelry, guns, etc.). Talk to your money manager about your need for additional coverage. (Damage from mold and insects are not covered by insurance.)

See Hints & Tips (12/2025) on the website for Countryhouse HOA

Q: The Master policy statement of values listing shows an amount that seems low for my property – how do I know coverage is adequate?

Property values are updated annually. The master policy provides “blanket” coverage for the community. If a claim for damages to your unit exceeds the statement of value amount, the blanket coverage amount can pick up the difference.

Q: What about changes in building codes, expenses required by law, at the site of the damage, before I can reinhabit my property?

The master policy provides a limited amount of insurance to cover additional costs due to changes in building codes from the time property was built. In the event of a claim, repairs or replacement will be made to the current code. Your HO-6 covers a limited amount – consult your agent for advice.

See Hints & Tips (12/2025) on the website for Countryhouse HOA

Q: What happens when I file a claim?

Contact Mill House Properties first, then contact your personal insurance agent. Mitigate the damage. (Take pictures. Cover and secure your property. Save receipts.) Insurance adjustors for the HOA and your insurance company work together to process your claim.

The master policy covers the building. The master policy adjustor first reviews the covenants. They work with contractors to make needed repairs. Your personal property is covered by your HO6. Often, your agent will help you find a place to live, if necessary, while repairs are made. First in a hotel, then more permanent short-term lodging will be arranged if necessary. Keep receipts for all costs.

See North Carolina handout regarding working with a claims adjuster.

Q: Fire damage to the garage and my car: If my electric vehicle causes a fire that destroys the garage, my car and the neighbor’s garage, will I be sued by the HOA master policy to recoup the cost?

While garages are covered by the HOA master policy, in this scenario the fire was caused by your car. Therefore, your auto policy covers the loss of your car and the garage. Your HO6 liability insurance covers the cost of the neighbor’s property.

*Subrogation: the insurance company could seek damages from the car manufacturer if they determined an issue with the car started the fire. The master policy insurer would not go after the homeowner to recoup payment.

Q: Explain the HO-6 (or -3) ‘claim free discount’.

Insurance companies look at the claim history. Some insurance agencies offer a discount if claims haven’t been filed. Events such as tornados that the homeowner cannot control don’t affect the claims free discount.

So, should I file a claim for damages that I know will be less than or close to my

deductible?

It's your decision, since the estimate of damage may be close to the amount of your deductible (or contribution) – such a claim could negatively impact your claim history. (See above.)

See handout (slideshow) provided.

Q: What is the difference between an HO3 and an HO6 policy? Suggest additions (endorsement) for me to discuss with my agent?

- A standard HO3 policy covers a free-standing dwelling.
- A standard HO6 policy covers condos, by design.

Each Owner should assess risks and work with a private insurer to secure any additional level of personal coverage needed/desired for risks or items not covered by the master policy.

Other Notes:

Insurance companies investigate/research cause of loss or damage, look for coverage, and work with homeowner's personal insurance policy carrier, property manager, homeowner, and contractors to complete claims – they reimburse, and do not hire contractors or guarantee their work. For personal legal liability questions of coverage and defense expense, contact your agent.

An insurance company may additionally pursue subrogation or negotiate remedy from another potentially liable company/party. *(see your CC&R's, online)*

The HOA and homeowners can actively work on risk management and loss prevention strategies to reduce risks, losses, and costs—such as ensuring ongoing maintenance and active fire prevention strategies, for example.

- The monthly payment to your HOA cover HOA costs, including maintenance assessment and insurance expenses.
- The Loss Assessment endorsement is part of your HO 6 (or-3) insurance, and does not cover routine maintenance, or such things as natural losses over time, like erosion, drainage, land movement, nor earthquake, flood (check with your agent).
- The master policy does not have flood or earthquake coverage.

With any loss or damage incident, homeowners should

- take reasonable actions to protect their property and safety, and mitigate any additional loss or damage,
- keep receipts, important documents, and
- work closely with claims adjusters and their own agent.

See today's handout from the North Carolina Dept of Insurance Hints & Tips (12/2025) on the Countryhouse HOA website, AppFolio

General precautions and disclaimer:

This Insurance Forum provided three handouts and general information - these were provided for educational purposes only and should not govern decisions that each unit-owner chooses to make, especially outside of relevant financial and legal advice appropriate to their situation, and after consulting with their professional insurance agent.

This Q & A summary does not replace a consultation with your HOA and your personal agent. Insurance policies have carefully crafted language, and your decisions should be made only with appropriate consultation. Your decisions can be better informed, and costs associated with them determined. Your property values and coverage options often change, so consider an annual discussion with your agents.

No general answer is intended to mislead or create coverage where there may be limitations. Each claim is unique. Insurance policies have conditions, limits and definitions.

Supporting materials were provided via the Countryhouse website, such as Hints & Tips, a question/answer resource provided by the North Carolina Department of Insurance on working with a Claims Adjuster, and a brief slideshow.

**In addition, here is the link to the anti-subrogation law in the North Carolina Statutes:
https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/BySection/Chapter_47C/GS_47C-3-113.pdf*

In conclusion: We hope to welcome the agents back for an annual update as requested by our HOA board and residents. Questions can be addressed to the Countryhouse Insurance & Safety committee or through the Countryhouse HOA board. Claims go through AppFolio, and your personal insurance carrier and agent.