



# The Glen Echo

Newsletter of Fairlington Glen

October 2007

## Message from the President

At the Community Forum on September 20, the Board presented three topics to the Glen community: the 2008 budget; the allocation of maintenance and repair responsibilities between the Council and its Co-Owners; and, the allocation of insurance between the Council and its Co-Owners.

We discussed these topics so both the Council (by which, under our legal structure, we mean all of us as a group, represented by the Board) and its Co-Owners (each of us individually) understands and therefore plans for responsibilities as they are shared in our condominium association.

Inside this issue of the Echo is an article summarizing the presentation of Steve Dickerson and Theresa Swan Melson, our insurance brokers at USI. (Please keep this insert for future reference.) Allocation of maintenance responsibilities was covered in the memo you received in August memo. I will be happy to take questions at the Annual Meeting on November 14.

Here I'd like to answer a question about the budget raised at the forum.

The proposed 2008 budget continues our emphasis on greater annual contributions to replacement reserves to deal with significant capital expenditures needed in a community built during World War II. Replacement reserves in 2008 will comprise a third of the total budget.

At this time we are not saving reserve contributions for the future. With our replacement needs, we are using them as fast as they come in. The Board balances and reviews options for their use all during the year.

In 2007, for example, Restoration Engineering's sanitary sewer study recommended we try a new relining company, and we moved immediately to have that company reline a single difficult sewer lateral. As a result of that very successful project, we are now planning to move forward during the next few years with completion of sanitary sewer renovation throughout the Glen.

Our other major need in 2008 is the renovation of the pool complex. The last two years have seen sharply increasing maintenance expenditures at the pool, including plumbing and electrical repairs in the pool buildings. Because of serious problems with wiring, resulting in non-functioning underwater lights, the pool almost had to be shut down in mid-August.

Our twin goals for the pool in 2008 are to keep it both open and safe. Right now, we are planning a significant renovation of the pool complex, upgrading the basic infrastructure that serves the pool and providing an enlarged maintenance area to serve the Glen's maintenance needs.

We now have a group interviewing architects to carry out the design recommended by the pool/office/workshop task group. Because of the lead time necessary to get contracts in place and still have a full pool season in 2008, we plan to begin renovation in September 2008, at the end of the pool season. Selected electrical repairs to carry us through until then will be completed this fall. While the extent of the project will be governed by available reserve funds, renovation at the pool is no longer a matter of choice but of necessity.

Please plan to attend the Glen's Annual Meeting 2007. And please be sure to complete and return your proxy so that we can meet the requirements of our bylaws for a quorum.

————Bob Patrician

### Inside this issue:

Photos	2
Insurance Info Insert	3
Sewer Line Info	4
Management News	4
New Sign Policy	4

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## CONDOMINIUM INSURANCE AND PERSONAL INSURANCE

Insurance information is probably not at the top of any of our reading lists, but please read on. Each of us needs to understand how insurance works in a condominium, and especially how it works in Fairlington Glen. Our insurance brokers from USI, Steve Dickerson and Theresa Swan Melson, spoke at the September 20 Community Forum. Much of the information here is taken from their brochure and presentation, with added information specific to the Glen.

### What Insurance Coverage Does the Glen's Master Policy Provide?

**Liability.** Fairlington Glen has a master policy that protects owners against liability claims arising from membership in the association. For example, if somebody slips and falls in a common area, the master policy will indemnify and defend all owners against liability claims for bodily injury that might result. If anybody slips and falls or otherwise sustains bodily injury within an individual unit, the master policy will not apply. Should a resident inadvertently leave the water running in his kitchen sink, allowing water to overflow, the master policy will not protect him against the claim from the resident in the unit below for damage to his personal property or the expensive wallpaper he installed.

**Property.** The master policy provides property insurance under a "single entity" concept, which insures the general and limited common elements, and also extends within individual units to fixtures, appliances, walls, floor coverings, and cabinetry, but only for like, kind, and quality to that conveyed by the developer to the original owner. In other words, building coverage under the master policy is limited to the original plans and specifications. Any individual unit improvements made subsequent to the original conveyance, such as building a wall to divide a room, or upgrading carpeting or other floor coverings, wall treatments, appliances, cabinetry, etc., are not covered by the master policy. These improvements are the responsibility of the unit owner to insure.

The deductible under the Glen's master policy is currently \$5,000 per occurrence, or \$10,000 in the case of flood. \$5,000 is the minimum available to condominium associations, though many choose a higher level. This deductible is the responsibility of the individual unit owner (or group of owners in the case of a joint claim). Policy Resolution 03-1, the latest policy statement on this subject, provides details. It was distributed to all owners when adopted in 2003 and after the flood of June 2006. Copies are available on request.

**Negligence.** In addition to liability and property protection, the master policy protects associations against sometimes arbitrary charges of negligence. Such negligence can be the result of bodily injury, property damage, personal injury, or advertising injury.

### What Do I Need To Do To Protect Myself?

All owners and tenants should purchase a personal policy to fully protect their interests. Resident owners should consider an individual homeowners policy (HO-6). This policy can provide coverage for personal property, unit improvements, betterments, additions and alterations, additional living expenses, personal liability, and sewer backups. "Betterments" includes items such as carpets, new walls, insulation, recessed lighting, and built-in bookcases. Non-resident owners may not need coverage for personal property or additional living expenses; however, they do have all of the other insurable exposures of a resident owner. Additionally non-resident owners can be insured for loss of rental income. Renters should purchase an HO-4 policy to provide coverage for personal property, additional living expenses, and personal liability.

It is especially important that Glen owners secure a policy that will pay for damages to a unit over their personal policy deductible, whatever that may be (e.g. \$500 or \$1,000), up to the master policy deductible of \$5,000 (or \$10,000 for flood). This type of coverage is generally referred to as "building" or "dwelling" coverage under a personal homeowner's policy. Unit owners should check with their HO-6 agent or insurance company to determine if they have appropriate "building" or "dwelling" insurance to cover damage to their unit up to the master policy deductible. (Continued on next page.)

The master policy will not cover personal property, such as clothing and furniture within individual units, nor will it provide coverage for personal liability or additional living expenses. Finally, if damage is not totally covered by an insurance claim, the owner is responsible under Article 21(D) of the Master Deed for those costs.

### What Are Some Examples Specific to the Glen?

In general, as noted in the Glen Handbook (p. 4-18) and as established in the Master Deed, water seepage or flooding is a co-owner responsibility. As a general rule, water coming in through walls, windows, or sewer backups is not association responsibility. We do assist with initial cleanup (drying and sanitizing of floor coverings, for example, so that they may be removed or cleaned) when sewer backups are related to actual sewage coming in because of sewer line stoppages or breaks.

An example occurred in late 2006 after a serious sewer backup. The Glen covered the initial drying and sanitizing of the basement. Both the owner (who had sewer backup coverage) and the Glen then submitted claims to their respective insurance carriers. The owner's insurance company covered costs up to \$5,000 and the Glen's policy covered costs above that level, which amounted to less than \$1,000.

After the "Flood of 2006" a number of owners responded to our offer of submitting a single claim, though restrictions on coverage noted above caused many of the more than 100 estimated affected owners to handle flooded basements themselves. The resulting payout, with the single deductible spread among the submitting owners, was then distributed to those owners.

These are the only two examples of insurance submissions by the Glen over the past two years. Not surprisingly, with a deductible of \$5,000 for most causes, most insurable claims are handled by the Glen itself (as was the recent fire damage to a roof) or by our individual policies, which is why it is so important to have such policies and have the appropriate coverage. Please talk to your insurance agent today. If you are interested in obtaining information or a quote on personal homeowners insurance using USI, the Glen's insurance broker, please contact—

Maria Demierre at 703-205-8764 ([maria.demierre@usi.biz](mailto:maria.demierre@usi.biz))

Cindi Clauson at 703-205-8761 ([cindi.clauson@usi.biz](mailto:cindi.clauson@usi.biz)) or

Personal Lines Manager Diane Beatty at 703-205-8792 ([diane.beatty@usi.biz](mailto:diane.beatty@usi.biz)).

### What Else Should I Know About Glen Insurance?

**Other Coverage.** The Glen has other insurance coverage in addition to the master policy. We have policies on workers' compensation, employee liability, fidelity bond, directors' and officers' coverage, a commercial umbrella, and vehicle coverage. While we no longer own a truck, this last coverage is still required to protect the Glen when our staff use their own cars or drive a rental truck on Glen business.

**Loss Experience.** Our insurance broker stated that our loss experience (claims submitted) is "commendable". We have a very low rate of claims for a condominium of our size, age, and value.

**Costs.** Despite our commendable loss experience, both our rates and our deductible have increased substantially over time. Some of us remember when the deductible was \$100. Increases are attributable to a number of factors. One is the dramatic increase in value of Glen property (from \$31,000,000 in 2004 to \$51,000,000 in 2007, according to our insurance broker). A second is the events of September 2001, after which rates in the Washington DC area skyrocketed for everyone.

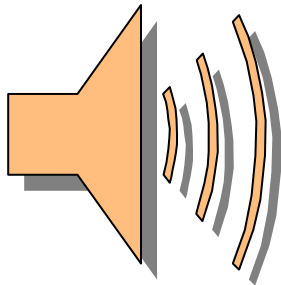
**We urge you to familiarize yourselves with your own insurance policies and, if you are not adequately covered, to talk with your insurance agent. Insurance responsibility in a condominium association is shared between the association (all of us together as a group) and individual owners, as is true in many other areas as well. We each owe it to ourselves to obtain adequate coverage.**

### SANITARY SEWER LINE MAINTENANCE

October is a month for scheduled maintenance of our sanitary sewer lines. During October, all 56 sewer laterals that have not been replaced or relined will be treated with root destroyer to keep this source of backups at bay. Where external cleanouts exist, Nelson and Maria will place root destroyer in the line, and will notify the resident that this has been done. Where external cleanouts do not exist, they will leave a bottle of root destroyer at your door, with instructions on how to use it. All it involves is inserting it directly into the sewer line in your basement by removing the cleanout plug, or putting it into your basement toilet. Nelson and Maria will also snake lines that have not been replaced or relined but have external cleanouts (signifying some past problems). Residents of units from which such lines exit will be notified when the work has been done. Thank you for your important role in helping us control roots in the sewer lines.



### CHANGE IN MANAGEMENT PERSONNEL



**Beth Cousino, our management agent, is leaving Cardinal effective October 8.** We expect to have a new senior management agent and be running at full speed by November 1. Until that time, please hold off on requests to Cardinal unless they are urgent. As always, feel free to communicate with Board members

### ASSESSMENTS ARE DUE ON THE FIRST!



Please remember that assessments are due on the first of the month and are late if not received by the 5<sup>th</sup> of the month. In September, many delinquencies occurred, some apparently because you signed up for automatic deduction on the first of the month but your financial institution still sends an old fashioned check. Since September 1 and 2 were weekend days and September 3 was Labor Day, checks were not cut until the 4<sup>th</sup> and did not arrive by the 5<sup>th</sup>. This resulted in many delinquencies, incurring costs for both the Glen in assessing and tracking late fees and for you in paying them. If you have signed up for automatic deduction, please be sure that payment is made electronically. Alternatively, you may need to move the payment date up a few days to assure that it is received on time.



### Board Updates Sign Policy

The Board has modified the rule on political signs to read "Political signs are not deemed to be holiday, seasonal or special occasion decorations and are not permitted in the common areas. A single political sign per unit may be displayed in a window for 31 days before an election and must be removed within 5 days after an election".