

### Water Leak Categories:

We define water leaks in 4 categories:

1. **Minor** – Non-emergency; minor drips or a small quantity of water. Affects only one unit.
2. **Regular** – Non-emergency; can be contained using a 5-gallon bucket or mop. May affect two or more units.
3. **Severe** – Emergency; a constant flow of water that would overflow a bucket in minutes causing water damage. Affects two or more units.
4. **Flood** – Emergency; a strong or unstoppable flow of water. Affects two or more units.

### Water Leaks:

#### **Step 1 - Stop/Repair the Leak**

It is vital to stop and fix the leak as soon as possible. If the water leak originates from your unit, first turn off the water to your unit at the water shut-off valve and call a plumber immediately. You can call a plumber of your choice or Security can provide the Keola Lai Owner's Shared Contractor Contact List.

Call the Security Office and inform them of the situation. If your unit is not the origin of the leak, Security will begin an investigation of the source.

Renters should contact their property managers immediately.

REGULAR water leaks will be investigated during the hours of 7 AM – 10 PM, 7 days a week. If a leak occurs outside of these hours, Security will take action the following morning.

Investigations of SEVERE or FLOODING water leaks will be done at any time (24 hours a day). A locksmith may be called to access units in SEVERE or FLOODING cases when the resident cannot be reached.

#### **Step 2 - Water Mitigation**

Water *mitigation* should take place immediately after the leak has been stopped and repaired. This includes water extraction and drying to lessen damage. Each homeowner is responsible to call and schedule the mitigation for their own unit, regardless of the source of the leak. You can call a mitigation company of your choice or Security can provide the Contractor Contact List.

#### **Step 3 - Identification of Affected Units**

Security and/or the mitigation vendor will contact any potentially affected units to identify if any other units have sustained damage from the leak.

#### **Step 4 - Contact Insurance**

All units affected by the water leak should contact their homeowner's insurance carrier and open a claim. Management will have an incident report available as soon the investigation of the leak is complete.

The unit causing the leak must inform the agent they are the source and will need to pay the deductible for any additional units being affected by the leak.

The Association will only become involved once damages of any one unit exceed the master policy deductible. Otherwise, the Association's responsibility is to share contact information among affected units.

### **Step 5 - Remediation & Repairs**

After the initial water mitigation (extraction and drying), *remediation* and *repairs* may be necessary depending on the severity of the leak. Remediation includes the removal of damaged flooring, walls, cabinets, etc.

Any invoices for mitigation or deposits for additional services must be paid before remediation or repair work begins. You can opt to pay up front to expedite the work, or you can choose to wait for the insurance check. The vendor may not move forward with remediation until the bill has been paid.

Please check with your insurance, as the adjuster may need to review the damage to the unit before remediation or repairs begin.

### **Responsibility:**

If a water leak originates from the common areas, such as the corridors, parking garage, or building exterior, it is the responsibility of the Association to fix the pipe or building exterior that is leaking according to the Association Declaration and Bylaws, nevertheless damages to your unit must be reported to your HO-6 carrier.

Leaks originating from any appliances or pipes serving a specific unit, including those behind the walls, are the homeowner's responsibility. Thus, the owner is responsible to pay for all remediation, plumbing repairs, and damages to their unit, upgrades, contents, and loss of use.

If a leak affects more than one unit, responsibility lies with the owner of the unit from which the leak originates. The owner will be responsible for the HO6 deductible, up to \$1,000 for each affected unit. Proper documentation that shows the amount paid by their insurance carrier must be provided.

If the leak originates from the common areas, the Association will reimburse the owner for the cost of their HO-6 deductible up to \$1,000 with proper documentation that shows the amount paid to their insurance carrier.

The AOA insurance policy can be used for claims over \$25,000 per unit (*as of Jan 2023*). The master policy will cover the building **as built**. Occupants are responsible for getting additional insurance coverage for any personal belongings or unit upgrades. For more details, see the Insurance section of this policy.

In the event there is a water leak with an unknown source, or the source is deemed most likely by management to be originating from a specific unit, and the resident is not at home or is unwilling to take action, the Association has the right and duty to enter the unit to prevent damage to others or common areas. The homeowner shall be responsible for paying the full deductible of the Association's property insurance policy and any costs associated with accessing the unit.

### **Insurance:**

- This policy may be updated without notice if new ordinances are adopted to 514b or there are related changes to insurance industry standards. Always check for the most updated guidelines posted on the Keola Lai website.
- In accordance with section 514B-143 (g), Keola Lai has adopted requirement that every owner have an individual HO-6 or similar policy to provide coverage for each unit in the event of a loss not covered by the Association's policy. This decision also requires owners to obtain coverage under the owner's HO-6 policy for the deductible on the Association's property insurance policy.
- The Association's insurance policy has a \$25,000 deductible per unit for water-related claims. Owners/occupants should obtain coverage for that deductible through their own insurance policy.
- The Association's property insurance policy covers neither the personal property and the contents of an owner's apartment, nor any additional upgrades or improvements made to the owner's apartment, but the Declaration

permits each apartment owner to insure their apartment for their own benefit and to obtain increased coverage for their apartment if they so choose.

- The Association is NOT an insurer of unit owners. The Association does not pay the deductible to the homeowner, and it is not responsible for uninsured damage to a unit simply because the problem originated in, on or from the common elements. Instead, the Association is only liable for the deductible amount if negligence on its part caused the problem, as determined by competent legal authority (court). Therefore, the Association is not liable for damage caused to an apartment by a common element, such as an overflow from a drain line, a pipe leaking, etc.
- The Managing Agent is the only party authorized by the Board to submit a claim to the insurance company to determine potential coverage. If the total amount of expected damage is less than the deductible amount, a claim will not be filed.
- Reimbursement checks from the Association's insurance carrier will not be issued until after the adjuster's inspection and approval. It may take several weeks for the paperwork to all be processed and the check to be mailed out.

For more information regarding the Association master policy, please contact:

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