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Unit owners of Osprey Reserve Owners Association Inc.:

This letter is to assist in clarifying the coverages provided by the Osprey Reserve Owners Association Inc. insurance policy, which continues to be insured with Farmers Insurance effective 11/1/2026 (*see disclaimer). Although there has been no significant change in coverage pertaining to the unit, there is consistently the need to help clarify the extent of the association coverage and what insurance the residential unit owners should purchase personally. This description applies only to residential unit owners and does not apply to commercial unit owners, who are always required to insure the interior finish of their units.

In the current policy period, the Osprey Reserve Owners Association Inc. policy is written in a format known as “current construction”, or “inclusive” coverage, or sometimes “studs in” coverage - as opposed to “bare walls” coverage.

To unofficially clarify this coverage format, it can be said that "if you shook the residential unit or turned it over, property within the unit that does not move is *Building Property* and is within the scope of the association policy." This would include interior walls, doors, finished floor coverings, cabinets, fixtures and built-in appliances including unit-owner upgrades to a residential unit*.

Although this coverage format is among the best in the industry, it does not encompass everything or all of your insurable interest within your unit.

For example, the current association general building deductible is **$25,000**. It is entirely possible for there to be a claim within your unit in which you would be called upon to make up the **$25,000** gap in building coverage. **In addition to the general building deductible, Farmers continues to require a 2% wind & hail deductible; this may necessitate an adjustment to your unit owners policy if you have not already done so.** Additionally, there are several other important coverages not included in the association policy that you should insure separately.

As a residential unit owner, you are strongly advised to make up what is not covered in the unit by purchasing your own Condominium Unit Owners Policy (AKA HO6 policy). *Please note that these policies are appropriate for townhomes as well.* Many unit owners have this coverage at adequate limits already. If you do not already have a Condominium Unit Owners insurance policy, it is strongly suggested that you purchase one. To insure the gap in building coverage, you will need to insure *Building Property* or *Building and Alterations* coverage within the perimeter walls of your unit at the replacement value of not less than $**25,000** (a $30,000 limit is inexpensive and suggested).

In addition to *Building and Alterations,* most unit owner’s policies will include coverage for your *Personal Property* within the unit; the *Loss of Use* or *Loss of Rental Income* as applicable; *Loss Assessment;* and *Personal Liability*.

We also recommend adding coverage for Backup of Sewers & Drains to your unit owner policy if you have not previously done so. Please note, some carriers will limit coverage for an assessed hail deductible, below the amount necessary to fund an owner's portion of an assessment. We strongly advise you to ensure that your limit is adequate and not limited when covering an assessed hail deductible. A sample of coverages that should be on your policy follows:

Building Property	$30,000 (suggested)
Personal Property	Replacement Cost limits
Loss of Use (Loss of Rents)	as needed
Loss Assessment	$25,000 (not less than) ***
*** Make sure you have adequate coverage for your portion of the 2% of limit wind and hail deductible and that full limit is accessible. Some carriers will limit claim payments on an assessed hail deductible to a fixed amount. It is CRITICAL to ensure that your Unit Owner Policy (HO6) language does not include any such limitation provision.	
Personal Liability	$1,000,000 (not less than)
Back Up Sewer & Drain	$25,000 (if possible)

Under certain conditions and/or subject to non-discriminatory standards described within Colorado Statutes, it is entirely possible for a unit owner to be assessed the condominium deductible. Unlike Farmers, not all insurance companies will respond to such a claim. It is highly advised that you consult with your agent or examine your unit owner's policy to confirm the coverage for the assessment of an association deductible.

If you own a rental unit, it is also advised to verify that the peril of theft is covered under your current policy. It is not uncommon for insurance companies to exclude theft of personal property within your rented unit. Again, consult your agent or policy regarding this potential gap in coverage.

The board of your association is ***not*** directing you to purchase your policy from any particular insurance company or agency. In fact, these types of policies are common in the industry and typically inexpensive to purchase. If you now have a policy, call your current agency and have them modify your coverage to limits not less than those shown above. If you do not have a policy, our agency will be more than happy to assist in placing your coverage. Please contact Mamich Agency at 970-879-1330. Also see **mamichagency.com** for more details.

This letter is not meant to preclude the professional responsibility of your current insurance agent to design and suggest coverages which fulfill your specific needs. Depending on the underwriting requirements of your insurance company, there quite possibly could be reasons for more or different coverages than those shown above.

Failure to heed this warning could be expensive. Please contact your agent immediately.

Commercial Team
Mamich Agency

**Disclaimer:* This document is meant to be a general description of coverages for use as a guideline in the purchase of personal individual unit owner's policies only. All association coverages are subject to specific policy language, exclusions and limitations of policy number 606633837 issued by MidCentury Ins. All claims, both future and past, will be adjusted and evaluated by use of the specific causes of loss peculiar to the event in question with insurance proceeds subject to the specific applicable policy language in force at the time of the loss.*