



## MAMICH AGENCY

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June 8, 2026

Back Country Cabins Homeowners Association, Inc.  
Attn: Kevin Lovett  
PO Box 678  
Frisco, CO 80443

Re: Policy # 607133852

Kevin,

You should have received the policy renewal for **Back Country Cabins Homeowners Association, Inc.** directly from our service center. We also review your policy here in the office and negotiate your rates on an annual basis. An outline of current and recommended coverage is indicated below.

### **Building Value:**

The building limit was increased by the “inflation guard” process of 9% to \$3,488,000. Additionally, the building ordinance limits were increased by 9% by underwriting. Overall, the premium has decreased -1.5% to \$11,338, which is being driven by a base rate change on the product in western Colorado.

### **Claims:**

No claims activity affecting premium. Claims free discount applies.

### **Building Ordinances:**

Please be aware that as buildings age, coverages for code changes become increasingly important. For example, we’ve seen buildings require the addition of a sprinkler system, installation of elevators, installation of gas fireplaces, and updating buildings to satisfy ADA requirements, in addition to upgrades to current construction quality after a large or total loss.

- The current coverage for Building Ordinance Demolition is **\$272,500**. This covers the cost of demolition and removal of debris of the undamaged portion of the building if demolition is required by building ordinance or law.
- The limit for the Building Ordinance Additional Cost of Construction (ACC) is **\$272,500**, which covers increased cost to repair, reconstruct or remodel the damaged and undamaged parts of the building to comply with a building ordinance or law.

Please review these coverages to make sure you are adequately insured. 10% of the value of the largest building is a baseline estimate for adequacy.

### **Property Deductible:**

The property deductible is currently \$10,000. The majority of condominium associations we insure are working towards a \$25,000 deductible. We highly recommend you consider increasing yours to \$25,000. Pricing for deductible options will be provided later in the green section of this letter.

Wind / hail deductibles are mandatory in Colorado, based on continued losses statewide. The deductible requirement is based on zoning based on loss experience in different parts of the state. For Back Country Cabins Homeowners Association, Inc., the required wind / hail deductible on renewal is 1%, which represents a share per owner of \$10,000. We strongly recommend that unit owners, going forward, carry no less than this amount in Loss Assessment coverage on their unit owner policy (“HO6”), and ensure that their policy has no limitations on loss assessment coverage related to an assessed association wind / hail deductible.

**Crime / Fidelity / Employee Dishonesty Coverage and Deductible:**

The employee dishonesty limit is currently \$50,000, with a \$500 deductible. Colorado state regulations requires that certain Fidelity limits and deductibles are maintained. The limit must not be less than 2 months of current assessments plus reserves, as calculated from the Association's current budget, or \$50,000, whichever is greater. The Fidelity deductible must not exceed one percent of the coverage limit. Please contact us about increasing your Fidelity (Employee Dishonesty) coverage if needed to comply with Colorado statutes.

**Specified Property:**

Please be aware that the Specified Property coverage is at a limit of \$10,900. Specified property coverage pays for direct physical loss or damage to fences, retaining walls, walkways, driveways, and exterior pools at the described premises. Please let us know if you would like to increase or discuss this limit.

**Backup Sewer and Drain:**

The backup of sewer and drain limit is currently **\$250,000**. We will be glad to quote higher limits for this coverage at your request. \$300,000 is our currently recommended limit. Pricing options to increase to \$300,000 in backup sewer and drain coverage will be noted later in the green section of this letter.

**Cyber Liability and Data Breach Response Coverage Option:**

Farmers offers coverage for those who may experience attacks by hackers or other criminals that capture personal information, such as credit card or Social Security numbers. Cyber extortion and ransomware are a growing threat. This coverage can be added to your policy for a relatively small charge. Please let us know if you are interested or would like an exact quote.

**Umbrella policy:**

Umbrella policies provide additional coverage limits to the liability coverages provided on the association master policy. The association currently does not carry an umbrella policy, and only carries **\$3,000,000** in underlying General Liability, Directors & Officers Liability and Hired & Non-Owned Auto Liability. If you are interested in obtaining a quote for additional liability coverage, please let us know.

**OPTIONS:**

|                 |                                                                      |           | Premium  | ITV |
|-----------------|----------------------------------------------------------------------|-----------|----------|-----|
| <i>Option 1</i> | Current Building Limit                                               | 3,488,000 | \$11,338 | 630 |
| <i>Option 2</i> | Current Building Limit w/ \$25k Deductible                           |           | \$10,684 |     |
| <i>Option 3</i> | Current Building Limit w/ \$25k Deductible & 5% Wind/Hail Deductible |           | \$9,023  |     |
| <i>Option 4</i> | Current Building Limit w/ 5% Wind/Hail Deductible                    |           | \$9,543  |     |

  

|                     |                                               |                  | Premium  |
|---------------------|-----------------------------------------------|------------------|----------|
| <i>Add'l Option</i> | Increased Backup Sewer and Drain to \$300,000 | Increase of \$61 | \$11,399 |

**Billing:**

Your renewal date is 7/1. To continue the Farmers coverage, simply pay your current Monthly billing on your account number F011333751-001-00001. Farmers Insurance offers online ongoing or one-time EFT payments, credit card payments or a variety of mail in payment installment options. If you have any questions about your billing, please contact us at your convenience.

Your commercial insurance business is important to us. Please do not hesitate to call so we can discuss these coverages, as they can be quite complex.

Sincerely,

Mamich Agency, LLC

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