



Kinser Insurance Agency Insurance Guide

We are grateful that you have chosen the Kinser Team and Farmers Insurance for the placement of the Homeowners Association Insurance. The Farmers Habitational Business Owners Policy (BOP) includes an array of coverages associated with habitational exposures and is arguably one of the very best policies in the current marketplace. We are confident that our Agency service and Farmers claims services are unmatched in the industry. Please use this guide to assist you in the coming year.

The Kinser Commercial Team

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Phone: 970.879.1330 – Email: Commercial@KinserInsurance.com

Renewal Documents

Each year we provide the Unit Owner letter specifically for the association describing how a unit owner should design their individual unit's insurance coverage. Also provided is a Summary of Insurance for the insurance policies written through Kinser Insurance for the Association. Both are intended for distribution to the ownership.

Reporting Claims

Property Managers should report all claims directly to Kinser Insurance Agency at 970.879.1330 as soon as possible after the loss. An Incident Report along with any available photos should follow to Commercial@KinserInsurance.com. These forms plus a wealth of information are available at www.KinserInsurance.com. Please remember to keep all faulty parts involved in a loss. We recommend that all parties and units affected by a loss file a claim to properly assess damage and responsibility.

Certificate of Insurance Requests

Lender requests for Certificates of Insurance must be submitted to www.KinserInsurance.com. The certificates tab on the website must be filled out completely and a certificate will be delivered within a maximum of two business days. For Unit Owner requests for proof of HOA Insurance please call 970.879.1330.

Billing

Farmers Insurance offers annual, semi-annual, quarterly or monthly billing. Invoices generate directly from Farmers three weeks prior to their due. Online statements and bill pay are available and involve a short account setup. Non-Farmers outside lines payments must be made in full at renewal. If you have any questions about billing, please contact one of our Team Members.

Thank you,

Kinser Insurance Agency
1495 Pine Grove Road, Suite 201A - Steamboat Springs, CO 80487
Phone: 970.879.1330 – KinserInsurance.com

Serving Mountain & Resort Towns



Important Information About Your Renewal Policy

As you review the enclosed renewal policy, please note that the reporting period for any loss or damage caused by windstorm or hail has changed. Your policy now includes endorsement J7493 **Windstorm or Hail Loss Conditions Amendment**.

We require that you report any loss or damage caused by windstorm or hail within one year of the date that the loss or damage occurred for coverage to apply. This change may represent a reduction in coverage on your policy.

This notice provides a summary of the changes to your policy; it is not a part of your insurance contract. It is not a substitute for reviewing your policy. Please review your policy and its attached endorsements for complete information.

If you have any questions, please contact your Farmers[®] agent.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



J7493
1st Edition

WINDSTORM OR HAIL LOSS CONDITIONS AMENDMENT

This endorsement modifies insurance provided under the:

APARTMENT OWNERS PROPERTY COVERAGE FORM
BUSINESSOWNERS COVERAGE FORM
BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM
CONDOMINIUM PROPERTY COVERAGE FORM

- A.** Section **E. Property Loss Conditions** in the Apartment Owners Property Coverage Form, Businessowners Special Property Coverage Form and Condominium Property Coverage Form is amended as follows:
- 1.** Paragraph **3. Duties In The Event Of Loss Or Damage** is amended to delete sub-paragraph **a.(2)** and replace it with the following:
 - (2)** Give us prompt notice of the loss or damage. Include a description of the property involved. With respect to any claim for windstorm or hail damage, notice of a claim for such damage must be reported to us within one year after the date of loss or damage. If notice is given to us more than one year after the date of loss or damage, this policy shall not provide coverage for such claims.
- B.** Paragraph **E. Property Loss Conditions** in **Section I Property** of the Businessowners Coverage Form is amended as follows:
- 1.** Sub-paragraph **3. Duties In The Event Of Loss Or Damage** is amended to delete item **a.(2)** and replace it with the following:
 - (2)** Give us prompt notice of the loss or damage. Include a description of the property involved. With respect to any claim for windstorm or hail damage, notice of a claim for such damage must be reported to us within one year after the date of loss or damage. If notice is given to us more than one year after the date of loss or damage, this policy shall not provide coverage for such claims.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

"CLAIMS MADE" Coverage (i.e. Directors & Officers) - IMPORTANT INFORMATION -

Kinsler Insurance Agency



Important information to understand regarding "CLAIMS MADE" coverage, such as Farmers new D&O form – "Preferred Community Association Management Coverage Form":

A form of "Professional Liability" coverage designed for Community Associations to protect Board members, against allegations of "Wrongful Acts".

Available for Condominiums, Town Homes, Planned Unit Developments (PUDs), the J7495 form includes the following coverages:

- Directors & Officers (D&O)
- Employment Practices Liability Insurance (EPLI)
- 3rd Party Discrimination
- Crisis Response

Coverage is offered on a **Claims Made and Reported** basis. The coverage only responds to claims made against an insured if they are reported to Farmers® during the same policy period in which they were made. The only exceptions being:

- If reported within the Automatic Reporting period of 60 days after the policy period ends, or
- If the insured has purchased an Extended Reporting period

"Claim" Definition & Reporting:

An association must provide written notice of a "claim" to Farmers as soon as practicable after any "designated insured" (director, officer, trustee, employee with managerial or risk management responsibilities, or "property manager") becomes aware of such "claim". Notice must be provided during the **annual policy period** in which the "designated insured" first became aware of the "claim", but in no event more than **60 days** after the end of that **annual policy period**.

- "Claim" means:
 - A written demand seeking monetary damages or non-monetary relief;
 - A civil "suit" seeking monetary damages or non-monetary relief;
 - A formal administrative or regulatory proceeding, formal investigative order or similar document, including a filing seeking a Right to Sue an insured; or
 - The filing of any complaint against an insured with the EEOC, DFEH, or any similar administrative court or organization,
- against an insured for a "wrongful act". However, "claim" does not include any criminal proceeding or investigation.

Prior Knowledge and Retroactive Dates:

- Prior Knowledge date is the date on which an "applicant" declares they have no knowledge of any events that may lead to a claim or know of any currently pending claims. Any claims known at that date are not covered.


- Any claims caused by wrongful acts prior to the Retroactive date are not covered. By default, the Retroactive date will be the date the association was established – aka ‘full prior acts.’

Extended Reporting Options:

- An automatic extended reporting period of 60 days after the end of the policy period for the insured to report a claim that became known **during the policy term that just expired** is included. (The "reported" requirement means that if an insured does not report the claim within the policy period, or 60 days thereafter, **there is no coverage**. So, it is important for associations to submit claims, or suspected incidents that might give rise to a claims, very promptly.)

Extended reporting periods of 12, 24, or 36 months are available for purchase for an additional charge, which is outlined in the coverage form.

Read the full coverage form (page 1 shown below) for complete information.



FARMERS
INSURANCE

J7495
1st Edition

PREFERRED COMMUNITY ASSOCIATION MANAGEMENT COVERAGE FORM

THIS COVERAGE FORM INCLUDES CLAIMS MADE AND REPORTED COVERAGES. THIS COVERAGE FORM'S CLAIMS MADE COVERAGES APPLY ONLY TO ANY CLAIM FIRST MADE AGAINST AN INSURED DURING THE POLICY PERIOD OR THE EXTENDED REPORTING PERIOD, IF APPLICABLE, AND REPORTED IN WRITING TO THE COMPANY DURING THE POLICY PERIOD, BUT IN NO EVENT MORE THAN 60 DAYS AFTER THE END OF THE POLICY PERIOD OR THE EXTENDED REPORTING PERIOD, IF APPLICABLE. DEFENSE COSTS SHALL BE IN ADDITION TO THE LIMIT OF LIABILITY FOR THESE COVERAGES AND ARE SUBJECT TO THE RETENTIONS.

READ THE ENTIRE FORM CAREFULLY TO DETERMINE THE EXTENT OF COVERAGE.

Various provisions in this coverage form restrict coverage. Read the entire coverage form carefully to determine rights, duties, what is covered and what is not covered.

Throughout this coverage form, the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance. The word insured means any person or organization qualifying as such under I.C. **WHO IS AN INSURED** or any organization qualifying as such under II.C. **WHO IS AN INSURED**. Other words and phrases that appear in quotation marks have special meaning. Refer to I.I. or II.F. **DEFINITIONS**.

SECTION I - CLAIMS MADE AND REPORTED LIABILITY COVERAGES

A. COVERAGE

1. Directors And Officers Errors And Omissions Liability

We will pay "loss" which an insured shall be legally obligated to pay as a result of any "claim" first made against the Insured during the "policy period", or Extended Reporting Period, if applicable, for a "wrongful act" taking place on or after the retroactive date and prior to the end of the "policy period". Such "claim" must be reported to us in accordance with **B. Notice of Claim**. However, this coverage only applies if no "designated insured" had prior knowledge of the facts or circumstances of any "wrongful act" on or prior to the Prior Knowledge Date shown in the Declarations.

A "claim" will be deemed to have been first made when notice of such "claim" is received by any "designated insured" or by us, whichever comes first.

All "claims" arising out of "interrelated wrongful acts" will be deemed to be one "claim" and will be deemed to have been made at the time the first of those "claims" is made.

2. Third Party Discrimination And Employment Practices Liability



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Certificate of Insurance Requests – Guidelines for Property Managers

Property Managers receive numerous requests from owners and mortgage lenders for Evidence of Insurance. **Kinser Insurance** has worked extensively to develop a streamlined solution for all – property managers, unit owners, lenders and insurer alike. We are confident that adherence to these two methods provides an efficient method for dealing with insurance certificates.

Kinser Insurance breaks down Certificate requests into two general categories:

1. **Unit Owners** who need to need new or updated Evidences of Insurance for their lenders; and
2. **Lenders** placing a loan.

Unit Owner Requests for Certificates:

Owners generally will have received a letter from a lender asking for a proof of insurance. There is relevant, essential information in this letter, but rarely all the information necessary to process a certificate for their lender. The letter will seldom include the **name of the association** where they own a unit, or the **unit number**. Please have the owner hand write the name of the association and unit number on the letter and fax (970-871-7826) or email it to us (karen@kinserinsurance.com). The borrower's lender will typically receive the requested certificate in one business day.

Lender Requests for Certificates:

Lenders have a need to show that the property they are underwriting is insured. We ask lenders to go to our website and submit a Certificate Request using the online form provided to enter their specific loan information, which in turn, generates an electronic request that is sent to Kinser Insurance for processing.

Please direct them to our website: <https://www.kinserinsurance.com/certificates.php>. The lender can then request a certificate by inputting the specific data needed. As with owner requests, they will receive a certificate in one business day (often sooner) if they provide **all** of the required data. We are very diligent on these submissions. If we receive a fax request or a phone call from a lender requesting a certificate, we will most often redirect them to our website to submit the request online in the suggested method.

As always, we are interested in any feedback you may have.



MySafetyPoint®

LOSS CONTROL RESOURCE

What is MySafetyPoint?

MySafetyPoint is an all inclusive safety resource portal tailored to fit your business needs. Search from thousands of documents and over 400 videos in the library, browse through more than 300 government agency or organizational references. Whether you are looking for breaking industry news, safety material and documents, or loss statistics - MySafetyPoint can help make your place of business a safe one by giving you the information needed to keep you safe and in compliance.

[Register for an account at MySafetyPoint.com](https://www.mysafetypoint.com)

How do I use MySafetyPoint?

MySafetyPoint allows you to quickly find and browse safety information. The weekly news stories will keep you up to date with breaking news or regulation updates. The "Hot Topics" section displays leading safety concerns in your industry and will direct you to top rated safety information. "Reference Links" is your link to reliable and pre-screened sources for additional information. We make it easy for you to find exactly what you're looking for, use search or advance search features to quickly find specific material you're interested in.

How do I best navigate the site?

Moving around MySafetyPoint is primarily accomplished by using the blue navigation bar and various drop-down menus. You may also search for particular subjects or areas of interest by entering a set of search terms. If you are having trouble navigating the site please contact support.

Who can I contact if I am having problems?

If you are having problems accessing information on MySafetyPoint or would like to report broken link please contact the MySafetyPoint support team at 1-800-531-0450 or email at support@mysafetypoint.com. Full support contact information can be reached through the Contact Us menu option.

Contractual Liability & Indemnification Contracts



Associations are constantly being asked to sign contracts in the normal course of business. Often we see associations signing contracts that obligate them to “protect and indemnify” the other party against all circumstances including things for which the other party is totally at fault! In other words, you may be agreeing to be responsible not only for your own wrongdoings, but for those of others. This is ‘backwards’! That is to say a contractor or vendor is requiring the association to cover them for their acts of negligence that result in claims when it should be that the vendor protects the association. If the contractor were to cause bodily injury or property damage to your owned property or to a third party, you want to hold them responsible (not harmless) for that act.

As an organization, you should not take on additional risk that is actually someone else’s to bear. The HOA is in the business of, and is insured for the operation of a condo / townhome association ownership and management. HOA’s are not insured for the business of construction. The only reason the contractor is to be operating on HOA premises is by virtue of a performance contract for which the contractor is getting paid. The construction project increases the liability exposure to the premises, and therefore the contractor should bear the cost of the additional exposure they bring to the site.

In order to minimize your exposure and protect your organization’s financial interests, a risk management program should be in place.

A risk management program should include, but is not limited to, the following:

- The requirement for a written contractual agreement between the parties involved. Such a written contract should contain provisions for a hold harmless agreement which requires one contracting party to respond to the legal liabilities of the other party. This agreement should be in your favor to hold you harmless for any liability of the construction project/tenancy/event.
- The contract should include specified insurance limits required for the construction project/event and the requirement that a proof of such insurance is provided, and that insurance covers the exposures for the specific activities/events and those for which the other party is holding you harmless.
- The contract should require that your organization be named as an additional insured on the general liability policy for the contractor, subcontractor, tenant or event. With additional insured status for general liability and completed operations, the other party’s insurer will respond to a claim against you for any loss resulting from the other party’s negligence.

- Attorney review of all contracts and contractual agreements.
 - The provision that no one will use the property, or the venues or any facilities/features until your requirements are met.
 - One individual (or department) should be responsible for administering each of your organization's contracts. Since contracts often involve many members of an organization, a constant awareness of all activities must be maintained by the person(s) responsible for the identification of assumed liability. Management can then make the appropriate decisions in response to the liability involved.
-

Frequently Asked Questions

Q. **What is the risk transfer?**

An agreement that the financial burden of certain accidental losses that have not yet occurred, but which may occur in the future, will be shifted from one party or its insurer to another party or its insurer. Indemnity clauses and "additional insured" requirements are two common methods to transfer risks in construction contracts.

Q. **What is wrong with risk transfer?**

That depends. There is nothing wrong with paying for the consequences of your own actions, or the actions of people under your control. Risk transfer is wrong when you are held responsible for risks or actions that you cannot control because you end up paying the consequences for other people's mistakes, either directly or through higher insurance premiums, while the party at fault avoids learning the lessons that consequences teach.

Q. **How do I avoid risk transfer?**

First, read your contract (before you sign it!!). Carefully read the indemnity clauses and insurance requirements. Do not agree to an indemnity clause that makes you responsible for someone else's negligence. Do not agree to insurance terms that require you to name the owner, the general contractor, construction manager or architect as an "additional insured". Do not agree to waive any claims that you would otherwise have against the owner, the general contractor, and construction manager or architect for workplace injuries covered by your workers' compensation insurance (a "waiver of subrogation").

Q. **What is additional insured?**

Additional insureds are specifically designated parties that are able to assert claims against a subcontractor's liability insurance policies. Absent carefully written contract and policy language, additional insureds can make claims, not only for losses caused by the named insured, but also for losses caused by their own negligence, even though they won't have to pay for the premium increases that result.

Q. **What is wrong with "additional insured"?**

Additional insureds increase the number of potential claims that could be made against your insurance policy. Insureds are added to your policy for which there is no underwriting process. Each year your insurance carrier must multiply your premiums by risks that it does not measure. That means that your insurance costs fluctuate wildly.

Contractual Risk Transfer Issues: Reviewing Certificates of Insurance

Background

The insurance industry has traditionally viewed contractual risk transfer issues as one of several general liability loss exposures. The purpose of reviewing a COI is to validate that contractually assumed liabilities are addressed. Insureds manage the process of contractually assumed liability by requiring those who work for them to provide a Certificate of Insurance (COI).

What Exactly Is a Certificate of Insurance?

The COI is a form that summarizes information relating to coverage(s), policy terms, limits of liability, and/or additional insured status. The insurance industry relies on using a standardized form developed by Agency-Company Organized Research and Development (ACORD), an insurance industry organization. ACORD revised the COI form September 2009. The COI is considered a matter of information only and does not alter the coverage afforded by the purchased policies. The COI provides verification of the insurance and usually contains information on types and limits of coverage, insurance company name, policy number, named insured(s), and policy effective terms.

The Purpose of the COI

The COI provides *information* to an interested third party that insurance is in force at the time of issuance. COIs are usually requested by opposite parties in an agreement, contract, or transaction to make certain the other party has appropriate insurance coverage. During a review of COIs, it is important that the COI does not have out-of-date policy information.

The ACORD form contains a provision regarding notification in the event of cancellation and indicates that it is a mere promise, unsupported by any consideration. To reinforce this statement and in response to case law resulting from litigation, the revised form has amended language. The form reads: *“should any of the above described policies be cancelled before the expiration date thereof, notice will be delivered in accordance with the policy provisions.”*

Verify Compliance with Insurance Requirements

Although most businesses have a requirement that those who perform work for them provide evidence of coverage when they sign agreements, many do not monitor compliance. Reviewing COIs is a way to confirm that the requirements are being met. A completed ACORD certificate provides the names of the insurers providing the required coverage, policy numbers, effective dates, expiration dates, and applicable limits of liability. When reviewing a COI, be on the lookout for the following:

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- It is possible that the COI on file is out of date and that the policy terms are expired.
- The certificate includes a column for noting whether the certificate holder is an additional insured under each listed policy and a box for listing any exclusions added by endorsement and other “special items.” The additional insured endorsement number may be noted here, among other things.
- One of the most frequently encountered problems with COIs occurs when the coverage represented in the certificate does not match that of the actual policy. For example, the certificate may indicate the certificate holder as an additional insured under the liability policy when in reality this modification was never made. That is why it is beneficial to see a copy of the endorsement attached to the COI or a very specific endorsement number.

Managing the Paper Trail

Since the underlying coverage is the backbone of the risk transfer, a business owner should take reasonable steps to confirm that the required coverage is in place. COI administration is a way to maintain the essentials. There are software tools, letter templates, and organizing tips to help administer the program. It is recommended that the owner obtain COIs from any company who performs work for them prior to starting work. If the audit process uncovers that any of the following conditions are in place, then there are gaps in the program. Common conditions warranting corrective action include:

- COIs are out-of-date.
- COI does not clearly indicate that an AI (Additional Insured) endorsement was purchased by the subcontractor.
- Coverage limits purchased by the subcontractor do not meet requirements.

Businesses rely on having a program in place that requires subcontractors to provide COIs detailing certain coverage(s) and limits of liability as well as name them as an Additional Insured (AI). Too many owners have been *surprised* to learn of a claim because they were not primarily at fault. It was determined through claim review that they are responsible due to contractual risk transfer. During claims investigation, it is discovered that a subcontractor did not adhere to the contractual risk transfer requirements. Uncovering these *surprises* before there is a loss is to everyone’s benefit.

Summary

Keeping operations running safely and efficiently is more critical than ever in the current economic and competitive environment. Quantifying the liability exposure using the COI can be challenging. The COI can be considered a predictive tool to help verify that those who perform work are in compliance with requirements outlined by a business owner. When the technique of transferring risk through written agreements is employed, then validating that the parties to the contract oblige is fundamental to risk control efforts.

References

1. ACORD Corporation. *ACORD 25 Certificate of Liability Insurance*. September, 2009.
2. Engineering and Safety Service. Jersey City, NJ: ISO Services Properties, Inc. 2004.
3. *Introduction to Certificates of Insurance*. Jersey City, NJ: ISO Services Properties, Inc. 2004.
4. *Reviewing Certificates of Insurance*. Jersey City, NJ: ISO Services Properties, Inc. 2004.

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Loss Control



Technical Bulletin

Certificates of Insurance

What is a certificate of insurance?

A certificate of insurance is a document that gives evidence of the insured's financial ability (via an insurance policy) to respond to a claim. Under most circumstances, no coverage benefits are afforded to the certificate holder; the certificate merely confirms that the subject company carries insurance.

Why are certificates needed?

Certificates give evidence that the other party has appropriate insurance to cover the claims for which they may be responsible.

When are certificates needed?

Certificates are needed when another party (such as a contractor janitorial service, security service, etc.) performs services on your behalf or has your property in their care, custody or control (e.g. leasing your premises or your equipment).

Who should provide the certificate?

The other party's insurance company or "authorized" insurance agent, broker or risk management department should provide the certificate of insurance to you.

What should a certificate include?

1. Name of insurance company issuing each policy;
2. Named Insured;
3. Address of Named Insured;
4. Description of Coverage;

If you have a contractor come to perform maintenance or repairs at your business, you should have that contractor provide you certificates of insurance. Here are some examples:

- **Fire/Property Damage:** A plumbing contractor is soldering pipes at your business and starts a fire. If you had obtained certificates of **liability** insurance prior to starting the job, you would have evidence of coverage for his act(s) of negligence. This helps to reduce your financial responsibility due to his negligence.
- **Injury to the contractor:** If a contractor falls off a ladder and is injured while performing work at your business, but does not have workers compensation insurance, it is likely that your workers compensation policy will end up providing coverage. This may affect your future premiums and/or experience rating. Additionally, if you hire contractors without obtaining certificates of insurance, you will likely be billed additional premium after the workers compensation auditor reviews your books.

Note: if a subcontractor is a sole proprietor, then he won't have/need work comp insurance. However, if you get a certificate of liability insurance, that will help to show he is a separate entity and not your employee.
- **Third Party Injury:** If a repair man leaves his tools out in the aisle, and a customer trips over them, you want the repair man to be responsible for his own negligence. By getting certificates of liability insurance, you will reduce your liability.
- **Products Liability:** If you have another company make component parts or modify your work, you should get certificates of insurance showing they have Products Liability.

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Mortgagee's will want evidence of property insurance (regardless of the "Evidence" reference in the title, these forms are certificates of insurance),

Building owners may request certificates of liability insurance from tenants.

A certificate of insurance lists the effective date of the policy, the type of insurance coverage purchased, and the types and dollar amount of applicable liability. They provide a snapshot in time of the coverage(s) provided. **It is best to have your vendors, suppliers, and subcontractors provide you with updated certificates each year.**

Certificates of insurance do not modify the insurance coverage, nor are they intended to change the terms of the contract.

Sources:

http://www.acord.org/standards/forms/documents/acordcertificatesfaq_201004.pdf

http://www-admn.csun.edu/risk/riskweb_08/contractual-risk-management/certificate-of-insurance.pdf

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Basic Suggested Signing for Resort Condos

While warning signs will not remove your liability altogether should an incident occur, a number of jurisdictions have laws that may limit claims for negligence against a business where the sign warned of an obvious risk. In order to limit any potential third party personal injury or property claims, a warning sign that identifies the risk will assist you in defending any claim for damages should an incident occur. Below are the main areas in resort HOA's in which signs should be addressed along with some samples images of standard signs that are used.

POOL SIGNS:

1. At semi-public pools where no lifeguard services are required, a warning sign shall be placed in plain view and shall state "WARNING - NO LIFEGUARD ON DUTY" with legible letters at least four (4) inches high, along with nonverbal signage designating same warning.
2. "NO DIVING" sign(s) shall be displayed in conspicuous locations at all public and semi-public swimming pools. On deck and immediate areas not meeting the minimum requirements for diving, the sign shall read, "NO DIVING," with a minimum of four (4) inch lettering, and with non-verbal signage indicating "NO DIVING."
3. Depth markers shall be a minimum of four (4) inch numerals in a contrasting color on the deck, and four (4) inch numerals in a contrasting color on the vertical wall at or above water level.
4. Emergency contact information should be provided in a conspicuous area.
5. If video recording cameras are located in the pool or hot tub area, the signs should state that "Video Recording" is taking place, as opposed to "Video Surveillance", which can imply the pool is being monitored or watched at all times by security staff, which can give a false sense of security.
6. Safety rules should also be posted in a conspicuous location and should include, at a minimum, the following rules. Most standard pool rule signs will include additional rules as well.

Safety regulations shall be posted in the swimming pool area stating:

- the maximum number of bathers who may use the swimming pool at one time; and
- the normal hours that a swimming pool is open; and that pool use is prohibited at any other time.
- Pool is only for members and their guests
- Children may not use the pool unattended
- No Running in pool area
- No Diving allowed
- Do not swim alone
- No animals allowed in pool area
- Bottles, crockery, glassware, or other hazardous objects shall not be permitted in the swimming pool or on the deck area.
- Consumption of food and/or beverages, and use of tobacco products must be confined to specifically designated areas away from the water.

Management assumes no liability for any injuries arising out of the use of the pool

Samples of standard pool signs-rules should be customized for specific hours and occupancy.



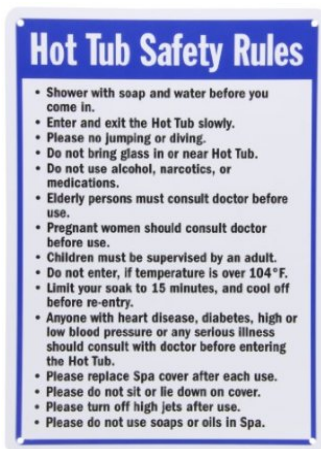
HOT TUB SIGNS – At a minimum, hot tub signs should include the following warnings. Most standard hot tub signs include additional warnings as well.

- Elderly persons, pregnant women, infants and those with health conditions requiring medical care should consult with a physician before entering a spa.
- Unsupervised use by children under the age of 16 years is prohibited.
- Hot water immersion while under the influence of alcohol, narcotics, drugs, or medicines may lead to serious consequences and is not recommended.
- Limit soak to 15 minutes. Prolonged use may result in nausea, dizziness, or fainting.
- Do not enter if temperature is over 104°F
- **DO NOT USE ALONE.**
- No Glass allowed in hot tub area.

Management assumes no liability for any injuries arising out of the use of the hot tub

Sign should also be posted for outdoor hot tubs stating that “Icy Conditions May Exist”

Sample Hot Tub signs



FITNESS CENTER SIGN

Fitness center is for exclusive use of owner/guest only and such use is at owner/guest sole risk. By using the fitness center or any equipment therein owner and any guest acknowledge and agree to abide by the following rules:

- Use is limited to owner or their guest age 18 or older only
- No alcohol beverages permitted
- No food or gum permitted
- No flammable or ignitable substances permitted
- No illegal or controlled substance permitted
- No running or horseplay permitted
- Tennis or athletic shoes must be worn at all times
- No loitering
- Please notify management if any equipment is not working properly
- Upon leaving equipment should be turned off

Consult your doctor or health care provider prior to commencing any exercise program. If you become ill, experience pain, or suffer shortness of breath while using the fitness center contact a doctor immediately.

Management assumes no liability for any injuries arising out of the use of the fitness center.

Sample Signs for Fitness Center



PARKING GARAGE SIGNS

At a minimum, parking garage signs should include the following, but additional signs may be needed if unique situations exist.

- Low Clearance Sign at entrance to parking garage. Sign should state the maximum allowable clearance, which is several inches below the actual door height or lowest clearance (pipes, ducts, sprinkler heads) in the garage.
- One Vehicle at a Time Sign should be posted at the entrance to prevent damage to vehicles from garage door closing on additional vehicles trying to enter.
- Park at your own risk sign should be posted in conspicuous location at or near entrance to garage. “HOA and Management not responsible for theft or damage of vehicles or contents”.
- Bicycle Storage Warning: Sign should state that “Storage of Bicycles is at your own risk and HOA, nor Management are not responsible for theft or damage to bicycles”.



EXTERIOR AREA SIGNS

Other signs that should be provided around the exteriors of buildings, walkways, parking lots, and other common areas may include, but are not limited to:

- “Caution, Icy Conditions May Exist”. This should be posted on any walkways, parking areas, pools areas, or any other common areas that ice and snow are known to accumulate.
- “Danger, Watch for Falling Snow and Ice”. This should be used under roof overhangs or anywhere else that overhead snow and ice could fall and cause injuries or damage.



Standardized and consistent usage of these signs will help to reduce liability related claims and the costs associated with defending claims. This in turn will help to keep insurance premiums affordable. Use of these signs should not be considered a replacement for proper maintenance and upkeep practices, but rather a method of warning the public about variable and unpredictable conditions that may exist.

Signs can be purchased from multiple retailers as well as web based businesses and these signs can be custom made to fit your HOA’s specific needs. A web based search for “parking signs”, “swimming pool signs”, and the other related types of signs will result in multiple web based sources.

Additional safety resources can be found at our website MySafetyPoint.com. This is a tool created to offer our customers self-service safety, loss prevention, and risk management resources. This website contains model safety programs, technical guides, free streaming safety videos, access to on-line training, safety forms, checklists, Federal and State agency regulations, and more. MySafetyPoint is available to you free of charge at www.mysafetypoint.com. Your policy number is your user identification and you may create your own password.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROTECTIVE SAFEGUARDS

This endorsement modifies insurance provided under the following:

APARTMENT OWNERS POLICY
CONDOMINIUM POLICY

| Prem. No. | SCHEDULE* Protective Safeguards Symbols Applicable |
|--------------|--|
| 001 | P-1 |

Describe any "P-9":

A. The following is added to the Property General Conditions in the applicable Property Coverage Form:

PROTECTIVE SAFEGUARDS

1. As a condition of this insurance, you are required to maintain the protective devices or services listed in the Schedule above.
2. The protective safeguards to which this endorsement applies are identified by the following symbols:
 - a. **"P-1" Automatic Sprinkler System**, including related supervisory services.
Automatic Sprinkler System means:
 - (1) Any automatic fire protective or extinguishing system, including connected:
 - (a) Sprinklers and discharge nozzles;
 - (b) Ducts, pipes, valves and fittings;
 - (c) Tanks, their component parts and supports; and
 - (d) Pumps and private fire protection mains.
 - (2) When supplied from an automatic fire protective system:
 - (a) Non-automatic fire protective systems; and
 - (b) Hydrants, standpipes and outlets.
 - b. **"P-2" Automatic Fire Alarm**, protecting the entire building, that is:
 - (1) Connected to a central station; or
 - (2) Reporting to a public or private fire alarm station.
 - c. **"P-3" Security Service**, with a recording system or watch clock, making hourly rounds covering the entire building, when the premises are not in actual operation.
 - d. **"P-4" Service Contract** with a privately owned fire department providing fire protection service to the described premises.
 - e. **"P-9"** The protective system described in the Schedule.

* Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

B. The following is added to the EXCLUSIONS section of the applicable Property Coverage Form:

We will not pay for loss or damages caused by or resulting from fire if, prior to the fire, you:

1. Knew of any suspension or impairment in any protective safeguard listed in the Schedule above and failed to notify us of that fact; or
2. Failed to maintain any protective safeguard listed in the Schedule above, and over which you had control, in complete working order.

If part of an Automatic Sprinkler System is shut off due to breakage, leakage, freezing conditions or opening of sprinkler heads, notification to us will not be necessary if you can restore full protection within 48 hours.

KINSER INSURANCE AGENCY INC.
1495 Pine Grove Road, Suite A201
Steamboat Springs, CO 80487



The Classic Condominium Claim ---

Water leaks from an upstairs unit damaging units belowand the fight starts.

- Why doesn't the upstairs unit owners' policy pay for all the damage?
- Why do we have to turn in a claim on the HOA policy for damage a unit owner caused?
- The unit owner upstairs caused the loss. I insist on him paying for the damage to my unit!
- The insurance carrier for the upstairs unit is no good. The claim was filed a week ago and the adjuster has still not inspected the damage!
- The fact is that the water came from unit 300 and 300 is responsible to pay for all damages!

The argument: With ownership comes responsibility. If you own a unit, you have the responsibility to maintain your property. If there is a water leak emanating from your unit, you are responsible for the damage to the other unit owners' property you damage. You will be expected to turn in claim to your carrier and you must invoke coverage to pay for the loss you caused.

Problem with the argument: A unit owner's policy includes Comprehensive Personal Liability (CPL). CPL will defend the named insured against an allegation of negligence and will indemnify the named insured if shown to be legally liable. Note: CPL will pay for damage that the policy holder causes only if he or she is determined to be "legally liable". That means "Negligent". Negligence is not "synonymous" with "responsible".

Two "this happened to me" stories for comparison: Notice that the basic facts of both stories are similar. Water leaked from an upstairs unit from an appliance to the unit below.

Story #1: Unit 300 in a 15 year old association is purchased by Mr. Smith. Prior to the sale, Mr. Smith enlisted the services of a realtor who specialized in resort area condominiums. Per the realtor's suggestions, Mr. Smith had a real estate inspector evaluate the property and develop a report on the condition of the unit. Mr. Smith then closed on the unit and exactly two days after the closing, Mr. Smith's hot water heater ruptured and damaged the units below severely. Negligent or not?

Story #2: Unit 400 Mr. Jones installed a new dishwasher in his unit and not being a plumber, failed to tighten the flare fittings to the water supply line correctly. Once the dishwasher was installed, he left the unit. The pipe fitting held for a few hours then ruptured damaging units below. Negligent or not?

Functional Problem with a unit owner Liability Claim:

Obligation of the liability adjuster for the accused unit owner is to investigate and defend the policy holder. Water claims, however, must be dealt with immediately. While the accused unit owner's insurer is investigating, the damaged property is not being dried and damages are not mitigated, possibly mold is growing, the usage of the property is delayed, no action is being taken and tempers are flaring.

By a great percentage, most accusations of negligence in condo unit occurrences are denied. So the obvious tactic to take to get immediate action is to file claims with the property carriers of all the affected entities to process the claims as soon as possible.

Hence the Kinser Insurance Agency mantra to all property managers and boards of directors:

When a property claim occurs, all of the entities affected by the loss should file first party property claims with their insurer immediately.

- Negligence is not a criterion for coverage so, immediate action from insurers typically results
- Tends to quell the bickering between non-insurance people such as unit owners.
- The carrier the unit owner chose and paid is handling their interests - duty of explanation then falls to their insurer instead of the Board or Property Manager. .
- Gets the Board and Property Manager out of the insurance business
- Gets unit owners and tenants back in units the fastest