



## Kinser Insurance Agency

Serving Mountain & Resort Towns

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### **Unit Owners of Ponds at Blue River Owners Associaton, Inc.:**

Effective 1/1/2024, the insurance coverage for **Ponds at Blue River Owners Associaton, Inc.** was placed through Community Association Underwriters (CAU). Effective this date, the association policy will insure the common elements of the association and limited real property on the interior of a residential (condo / townhome / duplex), but only to the extent of quality of finish as developed, subject to a \$25,000 building deductible, and a per unit \$25,000 ice damming deductible. This description applies to residential unit owners only.

This correspondence is to assist in clarifying the coverages provided by the **Ponds at Blue River Owners Associaton, Inc.** insurance policy. \*

The **Ponds at Blue River Owners Associaton, Inc.** policy is written in a format known as “**As Conveyed**” coverage - as opposed to “Inclusive” or “Bare Walls” coverage. Coverage would apply to real property on the interior of a residential (condo / townhome / duplex) that comprises the “units” as initially installed in accordance with the association’s original plans and specifications, or like kind and quality of such property. This would include interior walls, doors, finished floor coverings, cabinets, fixtures, and built-in appliances but not including unit-owner upgrades to the residential unit (i.e. improvements and betterments made to the unit after the unit’s initial conveyance). It is the responsibility of a unit owner to insure all improvements and betterments installed in by the current or any previous owner. \*

**Although this coverage extends to the units on a limited basis, it does not cover everything in your unit.**

For example, the current association 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. Additionally, there are several other necessary coverages not available on the association policy which you should insure.

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). Many unit owners may have this coverage in place 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 replacement value equal to the value of improvement / upgrades in the unit installed by the current or any previous owner, but not less than \$25,000.

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. A sample of coverages that should be on your policy follows:

<b>Building property</b>	<b>Full Replacement Cost of Improvement / Upgrades beyond original finish, but not less than \$25,000</b>
<b>Personal property</b>	<b>Replacement Cost limits – min. \$20k</b>
<b>Loss of Use (Loss of Rents)</b>	<b>Annual Rental Income</b>
<b>Loss Assessment</b>	<b>\$15,000 (not less than)</b>
<b>Personal Liability</b>	<b>\$1,000,000 (not less than)</b>

Under certain conditions and subject to non-discriminatory standards described within Colorado Statutes, it is entirely possible for a unit owner to be assessed the condominium deductible. However, 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 the 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 agent and have him 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 place your coverage, if you qualify. Please contact Kinser Insurance Agency, Inc. at 888-842-4161. Also see **kinserinsurance.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 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.

Kinser Insurance Agency, Inc.

**\*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 CAU530114-1 issued by American Alternative Insurance Company. 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.