

Back Country Cabins Homeowners Association, Inc.

c/ o Summit Resort Group

Renewal Proposal

July 1, 2026



MAMICH
AGENCY

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Thank you again for your commercial insurance business. We value it highly. Much has changed in the insurance industry over the last year and a half, and the unprecedented hard market conditions persist.

Enclosed is the Farmers Insurance condominium quotation for **Back Country Cabins Homeowners Association, Inc..** We have structured this quote for **"Inclusive"** building definition at \$3,488,000.

As you may know, the Farmers Habitational Business Owners Policy (BOP) includes an array of coverages associated with condominium exposures and is arguably one of the very best policies in the current marketplace for several reasons.

Note, your Farmers policy does not defer to the association governing documents for scope or definitions of coverage (i.e. allocation of responsibility for property coverage) unless "Per the CC&Rs" is stated above in BLUE.

Some of the highlights of the Farmers Insurance BOP condominium program:

- "Building" definition options (selected option indicated in **BLUE** above):
 - **"Inclusive"** (E3418 endorsement) includes interiors of residential units - permanently attached improvements, and alterations. Any upgrades unit owners have made to residential units are insured under the building limit, meaning that (subject to the HOA deductible) Farmers will cover interior walls, doors, floor coverings, permanently attached appliances, fixtures, etc. within a unit on a primary basis **regardless of the wording of the declarations**. Unit owners need to insure building value from \$0 up to the HOA deductible on their own policies in addition to contents, personal liability, etc. Commercial Units are insured on a "bare walls" basis.
 - **"Bare Walls"** coverage insures the interior of the condominium units to the fire-taped drywall and subfloors. All of the fixed improvements and final finishes within the units must then be insured on the unit owners' policies. The election of "bare walls" coverage is typically stipulated or allowed in the condominium declaration and/or bylaws.
 - **"PUD"** definition refers to association coverage that does not include building, or property, coverage for residential units or homes. If building limit is present, it is for commonly owned property such as a clubhouse or other amenity buildings.
- Extended Replacement Cost endorsement increases the building limit by a factor of 150% provided you remain insured at full replacement cost, with adjustments related to annual valuations.
- Agreed Amount endorsement removes the coinsurance language from the policy, eliminating the threat of being penalized in the insurance company determines that the property is underinsured following a covered loss.

- Building Ordinance Limit (Building Codes) is in addition to the building limit, not a sub-limit of the building limit. Even new buildings need building ordinance coverage as codes and the interpretation of code changes are constantly in flux. **No less than 10% of the value of the largest building recommended for “Additional Cost of Construction” if not 10% of total value.**
- Directors and Officers Liability coverage is broader than most and is a separate limit to the General Liability, not an endorsement to the GL. **Form recently updated to include Full Prior Acts, embedded Discrimination, and defense of allegations of breach of contract, among other changes.**
- Employee Dishonesty coverage defines the management company employees as employees of the association. This means that we insure association trust and operating accounts against loss from management company employees.
- Sewer backup coverage includes on-premises sewer backups. Many HOA policies exclude water losses from an “overflow” from a drain as opposed to a ruptured pipe. The only way to get coverage from an overflow is from the “Backup of Sewer and Drain” coverage. Many of the carriers then require that the drain line blockage be off-premises for there to be coverage on the HOA policy. Therefore, any backup that occurs from a blockage on the premises is not covered at all. The HOA is then self-insuring on-premises overflows. **If your association is insuring building property, our recommended limit is no less than \$250,000.**
- Mamich Agency offers corresponding unit owner policies under most conditions at a very competitive rate up to \$1 million in liability with property coverage designed to dovetail with the HOA policy.

In addition to the underlying package policy(ies), our proposal includes important coverage offers from other insurance carriers.

- **Umbrella Liability:** If eligible, we have included a quote for umbrella policy at a \$- dollar limit. This coverage is in excess of the underlying General Liability and possibly Directors & Officers Liability on the underlying policies. Short-term rentals, exposure as a “condo-hotel” and commercial exposure will determine whether or not excess D&O is available.
- **Difference in Conditions (DIC) or Flood:** We can place coverage against the risks of Earthquake, Earth Movement (i.e. landslide) and/or Flood (if eligible) if requested. There are various carriers and ways to insure against these exposures, with Flood primarily dependent on proximity to a body of water. 40% of flood losses occur in areas not identified as designated flood zones.
- **Miscellaneous Policies:** Other coverage not specifically referenced above will be described in the comments section on the summary page below, including Standalone Crime, Standalone D&O, Workers Compensation, National Flood Insurance Programs, etc.

Thank you for the opportunity to bid your association. Please feel free to call with any questions.

Best Regards,



Nick Strong
Mamich Agency – Commercial Team

Summary of Insurance Coverage:	Back Country Cabins Homeowners Association, Inc.
	Policy Number: 607133852
Habitational Package Policy	Policy Period: 4/1/26 – 4/1/27

Premier Coverage Package - Property		
Coverage Name	Deductible	Limit
Property Deductible / Wind-Hail Deductible		10,000 / 1%
Building Amount	Property Deductible	3,488,000
Unit Owners Coverage (Included)	Property Deductible	Inclusive
Building Contents	Property Deductible	-
Building Ordinance - Loss in value to undamaged building property (Coverage 1)	Property Deductible	Included
Building Ordinance – Demolition (Coverage 2)	Property Deductible	272,500
Building Ordinance - Additional Cost of Construction (Coverage 3)	Property Deductible	272,500
Mechanical Breakdown	Property Deductible	Bldg Limit
Extended Replacement Cost (Building)	None	Included up to 150% of building
Building Valuation	Property Deductible	Agreed Amount / 150% ERC
Backup Sewer & Drain	Property Deductible	250,000
Specified Property	Property Deductible	10,900
Association Fee & Extra Expense	None	100,000
Extra Expense	None	12 Months
Outdoor Property	Property Deductible	50,000
Outdoor Signs	\$500	50,000
Employee Dishonesty (Fidelity)	\$500	50,000
Forgery and Alteration	Property Deductible	2,500
Money Orders and Counterfeit Paper Currency	Property Deductible	1,000
Money & Security	\$500	10,000
Accounts Receivable	Property Deductible	5,000
Valuable Paper	Property Deductible	5,000
Claim Expense Coverage	None	Included
Debris Removal	Property Deductible	Included
Electronic Data Processing	Property Deductible	10,000
Lock Replacement Coverage	None	10,000
Exterior Building Glass	Property Deductible	Included in Property Limit
Fire Department Service Charge	None	25,000
Fire Extinguisher Recharge	None	5,000
Garage Keepers	Various (if applying)	Not Included
Newly Acquired or Constructed Building	Property Deductible	250,000
Newly Acquired Personal Property	Property Deductible	100,000
Personal Effects	Property Deductible	2,500
Pollutant Cleanup & Removal	Property Deductible	50,000
Premise Boundary Definition	N/A	100 feet
Preservation of Property	Property Deductible	30 days
Limited Collapse	Property Deductible	Included
Limited Coverage for Fungi, Wet Rot, Dry Rot & Bacteria	\$5,000	\$15,000
Water Damage	Property Deductible	Included
Wind & Hail	1%	Included
Employee Practices Liability	D&O Ded. (if incl.)	Included with PrefCAM D&O

Premier Coverage Package - Liability		
Coverage Name	Deductible	Limit
Liability Limit Per Occurrence	None	3,000,000
Aggregate Limits - All Other Occurrences	None	6,000,000
Aggregate Limits - Products/Completed Operations	None	3,000,000
Medical Payments	None	5,000
Fire/Tenants Liability	None	75,000
Hired Auto Liability	None	3,000,000
Non-Owned Auto Liability	None	3,000,000
Premises and Operations	None	Included
Contractual Liability	None	Included
Employees as an Insured	None	Included
Independent Contractor You Hire	None	Included
Liability for Newly Acquired Locations	None	Included
Limited World-Wide Liability	None	Included
Non-Owned Watercraft	None	Included
Owners Protective Liability	None	Included
Parking Area Liability	None	Included
Personal and Advertising Injury Liability	None	Included
Products and Completed Operations	None	Included
Spouse or Partners as Insureds	None	Included
Supplemental Payments	None	\$250/day limit

Premier Coverage Package - Directors & Officers		
Coverage Name	Deductible	Limit
Directors & Officers - Errors & Omissions	1,000	2,000,000
Directors & Officers Broad Named Insured		Included
Directors & Officers Defense Costs in addition to policy limits		Included
Directors & Officers Non-Monetary Damages		Included
Directors & Officers - Discrimination		Included
Directors & Officers - Prop Manager		Included

Premier Coverage Package - Premium	
Premium	11,338
Total BOP Premium	11,338

Standalone CRIME:	Deductible Per occurrence	Total Insured Value
Limit – Employee Dishonesty / Funds Transfer, Computer Fraud:		Quote not taken
Deductible:		n/a
Annual Standalone CRIME Premium		-

Umbrella Coverage	Self-Insured Retention	Limit
Declined	0	-
Umbrella Indicated Premium		-

This Summary of Insurance does not constitute a contract between the issuing insurer(s), authorized representative or producer and the holder of this document, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.



Checklist for Back Country Cabins Homeowners Association, Inc. Insurance Renewal

This checklist is meant to be a guide for property managers and board members to help understand and set appropriate limits for the various coverages found in a Habitational Insurance policy.

This is not meant to be a complete, exhaustive list (*). However, it is meant to be simple means to promote discussion about coverages with regard to adequacy.

It is our recommendation that all property coverage should be set at full replacement cost. Please take time to review all the various limits for your association.

Building limit - **\$3,488,000** / Deductible **\$10,000**

Insurance to Value: **\$630 per square foot (Based on square footage information we have on record.)**

- Should be set by BOD at **full replacement cost** of all insured buildings (per CCIOA / CC&Rs)
- **Current Averages – Mamich Agency:**
 - **Inclusive - \$408 per square foot**
 - **Bare Walls - \$320 per square foot**
- IF **“Inclusive”**, Replacement cost, in most cases, will include permanently attached unit owner upgrades within residential units (NOT commercial units)
- **“Bare Walls”**, owners are obligated to insure the interior finish of their unit.
- Appraisals / Valuations are encouraged every 3-5 years
- ITV (insurance to value) shown in the renewal documents is dependent on square footage data. Make sure square footage data includes entire building.
 - Residential units & common hallways, exercise rooms, meeting rooms, pool areas
 - Commercial Units
 - Garage areas

Contents limit – **n/a**

- Commonly owned contents (does not include contents of individual unit owners)
 - Furniture
 - Computers and other office equipment
 - Wall hangings
 - Pool Equipment
 - Maintenance equipment – snow blowers, skid steers, ATV's, exercise room equipment
 - Does not include contents owned by unit owners

Specified property - **\$10,900**

- Physical property not located within or attached to the Building(s) such as
 - Exterior athletic courts
 - Bulkheads, docks, piers and wharves
 - Community roads and driveways
 - Fences
 - Poles, Lights
 - Fountains, Monuments, Planters
 - Playgrounds



Specified property (continued)

- Pools and spas
- Storage units
- Walkways
- Walls, including retaining walls

Building Ordinance – Demolition - **\$272,500**

- The cost to demolish a structure after a loss required by building department.

Building Ordinance – Additional Cost of Construction - **\$272,500**

- The cost to bring the current construction up to current building code
- **Should be no less than 10% of building value of largest building, possibly more dependent on building / site characteristics.**
- Examples of possible code requirements
 - Sprinkler System / Increased water tap size and piping for support
 - Elevators
 - 1- or 2-hour fire assemblies for each unit (multiple layering of drywall)
 - Baluster spacing 4" maximum on all handrails
 - Fire blocking
 - ADA requirements
 - Foundation upgrades

Outdoor Property - **\$50,000**

- Limited non-building property such as:
 - Radio and television antennas (including satellite dishes)
 - Signs (other than signs attached to buildings),
 - Trees, shrubs and plants, including debris removal expense

Sewer Back Up - **\$250,000**

- Coverage sub-limit for damage to Building Property caused by the backup of a sink, shower, roof or floor drain including a backed-up sewer line.

Employee Dishonesty - **\$50,000**

- Community associations are required by statute to insure the funds they have on account to not less than two months assessments plus reserves.
- FHA requirements, for those association owners applying for mortgages, is not less than three months assessments plus reserves.

Association Dues - **\$100,000**

- Association fees that the association has not been able to collect from owners as a result of a covered loss.

(*) This document is only meant to be a guide. Please refer to your specific policy for the specific terms, definitions, conditions, exclusions, limitations and other contract information.

Additional Reference - "[Understanding Homeowner Association Insurance](#)" (Altitude Law)

Association:			
Back Country Cabins Homeowners Association, Inc.			
Premium Summary:			
Farmers Insurance Group – Business Owners Policy (BOP)			Rating: A+ XV
	7/1/26 Premium		\$ 11,338
	7/1/25 Premium		11,511
		Difference	(173)
		Percent of Change	-1.50%
Umbrella / Excess Liability - Declined			Rating: A+ XV
Standalone Umbrella policy period: n/a	7/1/26 Premium		\$ -
	7/1/25 Premium		-
		Difference	n/a-
		Percent of Change	n/a
Standalone Crime - Declined			Rating: A++
Standalone Crime policy period: n/a	7/1/26 Premium		\$ -
	7/1/25 Premium		-
		Difference	n/a
		Percent of Change	n/a
"If Any" Work Comp – Declined			
Policy term IF in place? n/a	7/1/26 Premium		\$ -
	7/1/25 Premium		-
		Difference	n/a
		Percent of Change	n/a
Combined Premium Comparison			
	7/1/26 Premium		\$ 11,338
	7/1/25 Premium		11,511
		Difference	(173)
		Percent of Change	-1.50%
Wildfire Exposure score (Farmers/FireLine 0-3 LOW, 4-8 MODERATE, >8 HIGH): 0			
3 Year Association Loss Ratio: 0%			
(Loss Ratio Calculation shown using 7/1/22 – 7/1/26 Experience Period)			
Comments: No claims affecting premium. Claims free discount in place (15%). 9% increase in property limits to address inflationary factors / increasing costs of construction. Continuing moderate carrier base rate changes, aging factors and other variables also affecting rate - driven by program loss experience, increasing cost of claims, and increasing pressure from the reinsurance forces in an unprecedented hard market. No DIC. No standalone CRIME, No Umbrella and no "If Any" Work Comp in place. See attached OPTIONS page for more information. Prior Period Changes / Notes: No Changes			

Important Information:

- If ITV is below \$400 for Inclusive coverage, or \$300 for Bare Walls, consider a reconstruction cost Appraisal / Valuation or explore an elective change based on agency averages – **currently \$630.**
- WORK COMP – for associations with no employees, we can place Workers Compensation coverage for \$500 annually (if requested).
- **Vendor Indemnification**
 - Ensure that contracts have indemnification in favor of the association and management company.
 - Ensure that certificates of insurance are being acquired before work start, including Additional Insured status for the association and management company when appropriate (this is true for owner coordinated efforts as well).
- Consider higher association deductibles - \$10,000 minimum recommended, but \$25,000 and \$50,000 available. Many carriers requiring \$25,000 at this point in time.
- **To align with NFPA guidelines and new Farmers guidelines, maintain OUTDOOR GRILL policies in Governing Documents (*per legal opinion* to include Rules & Regs) prohibiting Open Flame within 10 feet of combustible surfaces, materials or overhanging building elements – electric grills currently an acceptable alternative.**
- **Option to waive grill restriction is being reviewed. We will revise this proposal and adjust according if options are received.**

IF APPLICABLE, SEE NEXT PAGES FOR DIFFERENCES IN CONDITIONS (DIC), LIMIT DISCUSSION AND DEDUCTIBLE PRICING

Building Limit Options with Revised Premium (includes corresponding increase in Building Ordinance - Additional Cost of Construction)

Back Country Cabins Homeowners Association, Inc.

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

			Premium
Add'l Option	Increased Backup Sewer and Drain to \$300,000	Increase of \$61	\$11,399

2026 Renewal Acceptance & Options Selection:

Back Country Cabins Homeowners Association, Inc.

PACKAGE options:	Accept:	Reject:				
Renew Package	☐	☐				
Increase Building Limit to: \$ _____	☐	☐				
Increase Deductible (check selection):	Select Deductible: *60 days' notice <u>strongly recommended</u> for increases to \$25,000 or higher OR changes to Wind-Hail deductible					
General Deductible	Wind / Hail Deductible					
\$5,000	n/a	Current (1%)				
\$10,000	☐					
\$25,000	☐	5%				
\$50,000	Not Quoted					
IMPORTANT - Effective date of DEDUCTIBLE CHANGES (note recommendation above):		Date: _____				
Increase Backup Sewer and Drain coverage to \$300,000?		<table border="1"> <tr> <th>Accept:</th> <th>Reject:</th> </tr> <tr> <td>☐</td> <td>☐</td> </tr> </table>	Accept:	Reject:	☐	☐
Accept:	Reject:					
☐	☐					
ALTERNATE Excess Liability ("Umbrella") options:						
Declined	*ALTERNATE OPTIONS exist from \$5M to \$50M subject to Carrier APPROVAL					
Includes D&O?	Yes					
Umbrella Limit	Selection (annual premium shown for each):					
Declined	☐ Declined					
*If ALTERNATE OPTION desired, please check and indicate desired limit.	☐ – Request quote for the following limit (\$5M, \$10M, \$15M, \$25M, \$50M):					
	\$ _____					

Authorized Signature:

SIGN HERE