



## **Kinser Insurance Agency**

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### **Unit owners of Corral at Breckenridge:**

This letter is to assist in clarifying the coverages provided by the Corral at Breckenridge insurance policy, which continues to be insured with Farmers Insurance effective 9/1/17 (\*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.

In the current policy period, the Corral at Breckenridge 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 building deductible is \$5,000. It is entirely possible for there to be a claim within your unit in which you would be called upon to make up the \$5,000 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). *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 replacement value of not less than \$5,000 (a \$10,000 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. A sample of coverages that should be on your policy follows:

Building property	\$10,000 (suggested)
Personal property	Replacement Cost limits
Loss of use (loss of rents)	as needed
Loss Assessment	\$10,000 (not less than)
Personal Liability	\$1,000,000 (not less than)

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 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 - generally less than \$400 per year and often far less. 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 Kinser Insurance Agency at 970-879-1330. 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 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.

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**\*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 603282986 issued by Truck Insurance Exch. 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.

<b>Summary of Insurance Coverage:</b>	<b>The Corral at Breckenridge</b>	
Company: Truck Insurance Exch	Policy Number:	<b>603282986</b>
Habitational Package Policy	Policy Period:	<b>9/1/17 – 9/1/18</b>

Premier Coverage Package - Property		
Coverage Name	Deductible	Limit
Property Deductible	<b>5,000</b>	
Building Amount	Property Deductible	<b>29,714,800</b>
Unit Owners Coverage	Property Deductible	<b>Inclusive</b>
Building Contents	Property Deductible	<b>48,100</b>
Building Ordinance - Loss in value to undamaged building property (Coverage 1)	Property Deductible	Included
Building Ordinance – Demolition (Coverage 2)	Property Deductible	<b>941,200</b>
Building Ordinance - Additional Cost of Construction (Coverage 3)	Property Deductible	<b>940,500</b>
Mechanical Breakdown	Property Deductible	Bldg Limit
Extended Replacement Cost (Building)	None	<b>Included up to 150% of building</b>
Building Valuation	Property Deductible	<b>Agreed amount</b>
Backup Sewer & Drain	Property Deductible	<b>100,000</b>
Specified Property	Property Deductible	<b>10,000</b>
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)	5,000	<b>450,000</b>
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
Asbestos Exclusion	Property Deductible	<b>Removed</b>
Garage Keepers	1,000/5,000	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	Property Deductible	Included
Employee Practices Liability	N/A	Not Included

Premier Coverage Package - Liability		
Coverage Name	Deductible	Limit
Liability Limit Per Occurrence	None	<b>1,000,000</b>
Aggregate Limits - All Other Occurrences	None	<b>2,000,000</b>
Aggregate Limits - Products/Completed Operations	None	1,000,000
Medical Payments	None	5,000
Fire/Tenants Liability	None	75,000
Hired Auto Liability	None	1,000,000
Non-Owned Auto Liability	None	1,000,000
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 Liability	1,000	<b>1,000,000</b>
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

DIC Coverage:	Deductible – Per occurrence	Total Insured Value
		<b>Not Quoted</b>

Umbrella Coverage	Self Insured Retention	Limit
XL Insurance/Greenwich Insurance Company, Policy #PPP7456933	0	<b>10,000,000</b>

**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.**