

Sundial Townhome HOA

8/1/2017

Dear Sundial Townhomes Homeowners Association Unit Owner:

The purpose of this letter is to notify you of a material change in our Association's master Property Insurance policy deductibles. Please read it carefully as this change may require you to amend your own Homeowners insurance policy to avoid any gap in coverage.

In 2017 our Association's master Property policy has the following deductibles:

- \$5,000 per loss deductible for losses other than wind and hail
- 3% of the replacement cost of each damaged building for losses due to wind or hail

As a unit owner, you may be responsible for the deductible when a loss occurs. CB Insurance, our insurance broker, has advised us that you may cover your portion of the deductible through your personal Homeowners policy, commonly called an HO-6 policy. Customarily, this is accomplished through the Dwelling and Loss Assessment coverage provisions.

Our master property insurance policy covers attached interior finishes of each unit that are considered part of the real estate. There may be some instances when your improvements may put your unit above the standard considered typical for the project. CB Insurance recommends that you speak with your personal insurance broker to discuss the appropriate coverages for your unit, but carry a minimum of \$10,000 in Dwelling and \$10,000 in Loss Assessment coverage to cover your responsibility for your portion of the deductible.

Many personal Homeowners policies include a limit of coverage for Dwelling and Loss Assessment automatically, but each insurance carrier is different. There are some carriers who do not wish to provide the coverage or only allow a small amount to be used toward the deductible. If your limits are not sufficient, most carriers will allow them to be increased at very low cost to you.

We strongly recommend that you contact your personal Homeowners insurance agent to make sure that your policy has adequate limits for Dwelling and Loss Assessment. Kelly Saunders (719-477-4266) or Amie Taubman (719-477-4271) at CB Insurance will be happy to assist you in understand any changes that may be needed.

Sincerely,

Jim Williamson

Jim Williamson President