



Dear Sundial Townhomes Homeowners Association Unit Owner:

CB Insurance has the privilege of providing your Association's master insurance policy. Enclosed is a Unit Owner Packet which is designed to assist you in understanding the coverage provided in your Association's master insurance policy.

Your Association's master policy is effective May 27, 2018 through May 27, 2019 and includes the following deductibles:

- **\$5,000** per loss deductible for losses other than wind and hail
- **5%** of the replacement cost of each damaged building for losses due to wind or hail
- **\$1,000** per unit deductible for ice damming (If fewer than 6 units are involved in an occurrence, then only the All Peril deductible of \$5,000 will apply).

As a unit owner, you may be responsible for the deductible when a loss occurs. Please be sure to share this Unit Owner Packet with your individual insurance agent who handles your Homeowner's policy. This will ensure that your agent understands the Association's master policy when determining building and loss assessment coverage for your individual policy.

We very much appreciate the opportunity to serve you and your Association. If you have any questions or need assistance, please feel free to contact one of our HOA service team members.

Best regards,

**Kelly Saunders**  
**Senior Account Manager & Team Lead**

Enclosure



## **Unit Owner Packet**

**Designed For:**

**Sundial Townhomes Homeowners Association**

May 27, 2018 to May 27, 2019

## FREQUENTLY ASKED QUESTIONS

### 1. What part of the building does the Association cover?

The Association's master policy covers the building for full replacement value. This includes permanent attachments inside your unit, and extends to improvements or upgrades made by you. For example, the master policy covers paint, wallpaper, wall-to-wall carpeting, cabinetry, countertops, fireplaces, plumbing fixtures, doors, trim work, wood beams, recessed lighting, and ceiling fans. You should consult with your personal insurance agent to ensure adequate dwelling coverage in case of a large or total loss in the community, as your HO-6 policy may need to supplement the Association's policy. The master policy **does not** cover any of your personal property, loss of use, or personal liability.

### 2. What kinds of losses are covered?

Your unit is covered by the Special Causes of Loss form. This form covers the same types of losses to your unit as the building coverage in a standard Homeowners policy. Some examples are losses caused by fire, lightning, wind or tornado, hail, water damage from sudden rupture of a pipe inside the building, and vandalism. Types of losses that are not covered include, but are not limited to, earth movement, earthquake, flood or subsurface water, mold, wear and tear, and defective construction.

### 3. What kind of insurance do I need to carry?

You are responsible for securing insurance for your own personal property, loss of use, loss assessment, the Association master policy deductible (as assessed) and personal liability. This is best accomplished through purchase of a Condominium or Townhome Unit Owners Homeowner's Policy, often times called an HO-6 policy or a Business Owner's Policy if you rent out your unit.

### 4. How are claims handled?

Losses are settled through the Association subject to the Association's **\$5,000** per loss deductible for losses other than wind and hail and **5%** deductible for wind and hail losses. Your Board of Directors, in compliance with the Association's governing documents and established policies, determines who is responsible for the deductible should a loss occur. Claims should be reported through the Association's Property Manager or the Association's appointed contact person.

### 5. What is a Wind and Hail Deductible?

The 5% Wind and Hail Deductible means that all wind and hail losses will be adjusted less a deductible that equals 5% of the replacement cost of each damaged building. For example: If an Association has three buildings damaged by hail, each with a replacement cost of \$500,000, the deductible per building will be \$25,000 (5% of \$500,000 = \$25,000). The total deductible for all buildings will be \$75,000 (3 buildings X \$25,000 = \$75,000). **Unit owners may be responsible for their portion of the 5% Wind and Hail deductible should a loss occur to their unit.**

## FREQUENTLY ASKED QUESTIONS (CONT'D)

### 6. Why do we have a Wind and Hail Deductible?

The Wind and Hail Deductible is the result of many years of continuous adverse loss history in Colorado from wind and especially hail. As a result, many of the insurance carriers who historically were willing to provide coverage to Community Associations became unwilling to continue doing so. Many insurance carriers non-renewed existing Community Association policies and/or quit writing any new policies. The carriers that continue to provide coverage use the percent Wind and Hail Deductible to do so at affordable premiums. The alternatives would be extremely higher cost or excluding wind and hail damage completely.

### 7. Can unit owners get coverage for the Association's Deductible even if it generates a Special Assessment by the Association?

Customarily, each unit owner is responsible for insuring building items that are not the Association's responsibility, personal property, loss of use, and personal liability. This is best accomplished by purchasing a Condominium Unit Owners Homeowners policy, commonly called a HO-6 or Form 6 Homeowners policy.

Most insurance carriers' HO-6 policies include a provision in the Property section of the policy called Coverage A – Dwelling. The Dwelling provision allows unit owners to cover "items of real property (building items) that pertain exclusively to the residence premises." This is the policy provision that should allow unit owners to cover their responsibility for the Association's deductible. Many HO-6 policies will automatically include a small amount of Dwelling coverage. If necessary, the Dwelling limit can be increased for an additional premium.

There is some confusion and/or disagreement in the insurance industry about how to cover a unit owner's responsibility for an Association's deductible in the HO-6 policy. As outlined above, CB Insurance feels that the appropriate HO-6 provision to cover the deductible is Coverage A – Dwelling. Some carriers agree with this, while others believe a unit owner's responsibility for the deductible is more appropriately covered by the Loss Assessment provision in the HO-6 policy. **It is strongly recommended that each unit owner contact his/her Homeowners insurance carrier to determine what Dwelling and Loss Assessment coverage is included in their HO-6 policy, and how their carrier recommends providing coverage for their portion of the deductible following a loss.**

### 8. Who pays the insurance premium?

Like other common expenses, the Association budgets for, and pays the premium from the dues paid to the Association by unit owners.

### 9. What is a certificate of insurance?

A certificate of insurance is a document that identifies those insurance coverages and limits that have been purchased by the Association. The information provided includes, but is not limited to, policy effective dates, policy numbers, insurance carriers, limits of insurance and deductibles. A certificate of insurance is routinely required when a loan exists on your property. Your mortgage holder may ask that you contact us, or they may contact us directly, to request this information. (Please see attached Online Certificate Instructions.)

## Online Certificate Request Instructions

The easy to follow directions are indicated below. If you have questions, please do not hesitate to contact our office at 719-228-1070, or toll-free at 877-855-8442.

1. Gather the name and complete mailing address of your mortgage company, your loan or account number, email address and/or fax number of the recipient.
2. Go to [www.centralbancorp.com](http://www.centralbancorp.com).
3. Click on the **Insurance** tab located on the left side of the screen.
4. Scroll down to the "Insure your assets" section and click on **Certificate Instructions**.
5. Scroll down and click on **Login to the CB Insurance certificate portal to get your Certificate**.
6. Click on **Continue to Website**.
7. In top User ID box, enter: **CBI**  
In Password box, enter: **cert**
8. Click on **Login**
9. Click on **Community Association** (center section).
10. Type in part or all of the Association Name in the Search: Association Name box.
11. Click on **Search**.
12. Click on the correct Association Name.
13. In the **Holder** section, type in the Name, Address, City, State, and Zip Code of the Mortgage Company/Lender.
14. In the **Delivery Information** section, click next to Fax Certificate and/or Email Certificate and enter the Fax Number and/or Email Address of the recipient.
15. **Please disregard the Coverage Information section that references limits.**
16. In the **Description of Ops** section, type the Property Owner Name(s), Property Address, and Loan or Account Number. **Please leave the "Insurer Letter" and "Cancellation Days" fields blank.**
17. In the **Additional Information** section, enter your email address and any additional notes you have for the certificate processor.
18. Click on **Submit Request**.
19. You will be automatically directed to a page beginning with, "Thank You Community Association Access! Your Certificate request has been submitted successfully."
20. You will receive an automated email with the information entered online.
21. Your certificate will be processed by a member of our Team within 24-48 hours and sent via fax and/or email to the recipient entered in the **Delivery Information** field.

**To check on the status of your request or to expedite the process, please call (719) 228-1071.**



**YOUR CB INSURANCE SERVICE TEAM  
WE ARE HERE TO SERVE YOU.**

<b>For all Certificate of Insurance requests:</b>	Visit our website at <a href="http://www.centralbancorp.com/Insurance">www.centralbancorp.com/Insurance</a>
<ul style="list-style-type: none"> <li>• Coverage questions</li> <li>• Policy changes</li> </ul>	Dana Medina Account Associate 719-477-4255 <a href="mailto:dana.medina@centralbancorp.com">dana.medina@centralbancorp.com</a>
<ul style="list-style-type: none"> <li>• Coverage questions</li> <li>• Policy changes</li> </ul>	Kristy Hart Senior Account Associate 719-477-4254 <a href="mailto:kristy.hart@centralbancorp.com">kristy.hart@centralbancorp.com</a>
<ul style="list-style-type: none"> <li>• Coverage questions</li> <li>• Policy changes</li> <li>• Carrier Negotiations</li> <li>• Accounting and invoicing questions</li> </ul>	Amie Taubman Account Manager 719-477-4271 <a href="mailto:amie.taubman@centralbancorp.com">amie.taubman@centralbancorp.com</a>
<ul style="list-style-type: none"> <li>• Coverage questions</li> <li>• Policy changes</li> <li>• Carrier Negotiations</li> <li>• Accounting and invoicing questions</li> </ul>	Cynthia Jackson Account Manager 719-477-4248 <a href="mailto:cynthia.jackson@centralbancorp.com">cynthia.jackson@centralbancorp.com</a>
<ul style="list-style-type: none"> <li>• Coverage questions</li> <li>• Policy changes</li> <li>• Carrier Negotiations</li> <li>• Accounting and invoicing questions</li> </ul>	Kelly Saunders Senior Account Manager & Team Lead 719-477-4266 <a href="mailto:kelly.saunders@centralbancorp.com">kelly.saunders@centralbancorp.com</a>
<ul style="list-style-type: none"> <li>• Board meetings</li> <li>• Annual meetings</li> <li>• HO-6 insurance coverage education</li> <li>• Coverage questions</li> </ul>	Tressa Bishop, MBA, CIC HOA Insurance Specialist 719-477-4269 <a href="mailto:tressa.bishop@centralbancorp.com">tressa.bishop@centralbancorp.com</a>  Ronda Ashley, CPCU Vice President 719-477-4264 <a href="mailto:ronda.ashley@centralbancorp.com">ronda.ashley@centralbancorp.com</a>
<ul style="list-style-type: none"> <li>• Questions on claims or incidents that could give rise to a claim</li> </ul>	Kris Marshek, CISR, AIC, CCP, ARM 719-477-4257 <a href="mailto:kris.marshek@centralbancorp.com">kris.marshek@centralbancorp.com</a>
<b>Toll-Free Service Number</b>	<b>1-877-855-8442</b>