



## **Kinser Insurance Agency**

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### **Unit owners of Vail Gateway Plaza Condominium Association, Inc.:**

This letter is to assist in clarifying the coverages provided by the Vail Gateway Plaza Condominium Association, Inc. insurance policy, which continues to be insured with Farmers Insurance effective 3/15/2021 (\*see disclaimer). Although there has been no significant change in coverage pertaining to the unit, this letter is provided to you to help clarify the extent of the association coverage and what insurance unit owners are to purchase personally. The Vail Gateway Plaza Condominium Association policy is written in a format known as Per the CC&Rs which refers to the Association's Declaration of Covenants, Conditions and Restrictions (CC&Rs) for the scope of insurance coverage. The improvements you have made to your unit are NOT insured by the association policy. The association policy insures the property, as described above, with a \$5,000 building deductible.

#### **Commercial Units**

Commercial unit owners will need to insure, in full, the interior finish of their unit. Commercial tenant improvements or upgrades are typically insured by the tenant, however, commercial unit owners must refer to the leasing agreements with their tenants for clarity on this.

#### **Residential Units**

Per our Agency review of the CC&Rs in concurrence with the opinion of the Association Management Company, the master Association policy currently insures the residential units to the extent they were delivered to the original unit owner, otherwise known as "As Conveyed" coverage. Residential unit owners will need to insure any upgrades, or increased value, installed since the original 1990 construction.

As a unit owner, you are strongly advised to insure what is not covered on the association's master policy by purchasing your own Condominium Unit Owners Policy (AKA HO6 policy). Some owners may 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 address the need for building coverage for the interior of your unit, you will need to include building property or building and alterations coverage in an amount equivalent to, or exceeding, the current deductible on the association policy plus the increased value of the upgrades that have been installed in the unit since the original construction. 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 (if you are a landlord); loss assessment; and personal liability. A sample of coverages that should be on your policy follows:

Building property	\$5,000 + Value of Improvements Installed by an Owner (but not less than \$10,000)
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 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 - generally less than \$400 per year and often far less, however this will vary with increased building coverage needs. 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](http://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 606736160 issued by MidCentury Ins. 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.