
vangilder

May 5, 2008

Jay Fluet
Woodstream Falls Condominium Assn, Inc
c/o Mitchell Powell
921 S. Dearborn Way
Aurora, CO 80012

Dear Mr. Fluet:

Van Gilder Insurance Corporation has the privilege of providing your Association's master insurance policy. We appreciate the opportunity to serve your Association and each of you.

Enclosed is a Unit Owner Packet for the policy year beginning April 30, 2008 and ending April 30, 2009. It is designed to assist you in understanding the coverage provided in your Association's master insurance policy. It is important to properly coordinate your own Homeowners insurance policy with the master policy. We are available to assist you by phone if you have any questions after reading this information. We are also happy to explain the master policy to your Homeowners insurance agent if you wish for them to contact us directly.

Certificates of Insurance may be obtained online, please refer to the attached Online Certificate Instructions. If you have any questions, please contact Stacey Lee at 303.831.5157. There is no charge for this service.

Again, thank you for this opportunity to be of service.

Best Regards,



Brenda Thompson
Account Manager

Enclosure

Frequently Asked Questions

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

Your unit is insured for full replacement value. It **does not cover** improvements that are installed inside your unit. For example, the master policy does not cover paint, wallpaper, wall-to-wall carpeting, cabinetry, countertops, fireplaces, plumbing fixtures, doors, trim work, wood beams, recessed lighting, and ceiling fans that are inside individual units. The master policy **does not cover** 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, excluding theft of appliances. 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, your responsibility for the Association master policy deductible and personal liability. This is best accomplished through purchase of a Condominium or Townhome Unit Owners Homeowner's Policy; often times called a HO-6 policy.

4. How are claims handled?

Losses are settled through the Association, subject to the Association's \$ 1,000 per loss deductible. 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. Can unit owners get coverage for the Association's Deductible even if it generates a Special Assessment by the Association?

Currently there is some confusion and/or disagreement in the insurance industry about if and how unit owners can cover their responsibility for an Association's deductible in their individual Homeowners policies. Customarily, each unit owner is responsible for insuring building items that are not the Association's responsibility, their personal property, their loss of use and their personal liability. This is best accomplished by purchase of a Condominium Unit Owners Homeowners policy, commonly called a HO-6 or Form 6 Homeowners policy.

Frequently Asked Questions, Continued

Most insurance carriers' HO-6 policies include two provisions that could apply to cover a unit owner's responsibility for the deductible in their Association's master policy.

The first provision is 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 many insurance carriers use to allow unit owners to cover their responsibility for their Association's insurance deductible. Many HO-6 policies automatically include a small amount of Dwelling coverage for no additional charge. If necessary, the Dwelling limit can be increased for a small additional premium.

The second provision is called Loss Assessment. Like Coverage A – Dwelling, most HO-6 policies include a small amount of coverage for Loss Assessment, customarily a \$1,000 limit. Also like Coverage A – Dwelling, the Loss Assessment coverage can be increased for a small additional premium. Some HO-6 carriers limit the amount of Loss Assessment payable for reimbursement of an Association's deductible to a maximum of \$1,000. Loss Assessment coverage only responds when the loss assessment is the result of a claim that otherwise would be covered by the Association's master policy, but is not, because of inadequate limits, or possibly because of a high deductible that must be borne by all unit owners. Loss Assessment coverage does not apply to financial assessments that are not related to insurance claims.

There are many carriers who will provide adequate coverage for a unit owner's responsibility for their Association's deductible. **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 the deductible.** Should coverage not be available through a unit owner's existing Homeowners insurance carrier, Van Gilder Insurance Corporation can provide a HO-6 policy that includes coverage for a unit owner's responsibility for their Association's deductible. Please contact Van Gilder Insurance Corporation's Personal Lines Department at 719.634.8807, or toll-free at 877.855.8442, for more information.

6. 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.

7. 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 mortgagee certificate request form.)

Online Certificate Instructions

The easy to follow directions are indicated below. If you have questions, please do not hesitate to contact Stacey Lee at 303.831.5157.

- Step 1: Go to www.vgic.com
- Step 2: Click on Community Association Certificate
- Step 3: Enter login ID: **VGA** (*Van Gilder Advantage*)
Password: **cert**
- Step 4: Click on Homeowners Association to access certificate
- Step 5: Enter association name (or part of the association name) and Select the requested association by clicking on the name
- Step 6: Click on the certificate name
- Step 7: Complete the Required Fields(*)
- Step 8: Complete Unit Owner Name, Address and Loan Number
- Step 9: Click on Submit Request to Create the Certificate
- Step 10: Click on Certificate to build the certificate
- Step 11: The Certificate will appear in .pdf form (Acrobat), that can be emailed or printed in your office.
- Step 12: To Select another association, click on the Service Menu OR to Exit hit logoff.