



IMPORTANT - Please Read

Information regarding your HOA Master Insurance Policy

Effective January 1, 2006, the master insurance coverage for your association that is managed by Wilderwest Property Management has renewed. The master policy of the association will continue to insure the fixed assets on the interior of your condominium unit with a **\$5,000 deductible**. As a unit owner, you are strongly advised to make up this potential gap in coverage by use of your own Condominium Unit Owners Policy (aka HO6 policy). 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 compensate for the January 1, 2006 change. 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.

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 | \$5,000 (not less than) |
| Personal property | optional limits |
| Loss of use (loss of rents) | optional limits |
| 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 \$300 per year and often less. If you now have a policy, call your current agent and have him modify your coverage to limits at least to those shown above. If you do not have a policy, our agency will be more than glad to place your coverage. Please contact our office at 888-842-4161.

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.