

Sand Creek Villas Homeowners Association, Inc

February 13, 2018

Dear Sand Creek Villas Community Association Unit Owner:

The purpose of this letter is to remind all homeowners that the Association's Master Property Insurance policy has a 5% wind and hail deductible. Please read it carefully as this may require you to amend your own Homeowners insurance policy to avoid any gap in coverage.

In 2018 our Association's master Property policy has the following deductibles:

- a \$2,500 per loss deductible for losses other than water damage, wind and hail
- a 5% of the replacement cost of each damaged building for wind and hail losses
example, if the unit cost \$200,000.00 to rebuild the loss assessment for that unit would be \$10,000.00.

As a unit owner, you may be responsible for the deductible when a loss occurs. For wind and hail losses the Association may need to assess unit owners for the **deductible**. Insurance companies have advised us that you can cover this deductible in your personal Homeowners policy, commonly called an HO-6 policy. This is customarily accomplished by two coverage provisions in your personal Homeowners policy. The first provision is called Dwelling and the second provision is called Loss Assessment.

Insurance companies suggest that each unit owner carry at least \$50,000 on Dwelling and at least \$50,000 on Loss Assessment in their personal Homeowners policy to cover their responsibility for these deductibles. Many personal Homeowners policies include a limit of coverage for Dwelling and Loss Assessment automatically. If the automatic limits are not enough, most carriers will allow them to be increased at very low cost to you.

Again, most of the major personal Homeowners insurance carriers provide this coverage, but each insurance carrier is different. There may be some who do not wish to provide the coverage. **We strongly recommend that you contact your personal Homeowners insurance agent and/or carrier to make sure that your personal Homeowners insurance policy has adequate limits for Dwelling and Loss Assessment.** If you have questions we will be happy to assist you and/or your personal insurance representative to understand any changes that may be needed in your personal Homeowners policy.

Sincerely,

Sand Creek Villas Board of Directors

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