



CHERRY CREEK
INSURANCE GROUP

PECOS PLACE HOMEOWNERS ASSOCIATION INSURANCE NEWSLETTER

Annually your Board of Directors purchases insurance for the condominium association that covers the buildings, personal property of the association, general liability on the common areas, fidelity coverage and directors and officers coverage. As unit owners, it is important that you maintain your own insurance to cover unit items that are your responsibility as detailed in Pecos Place Association's declarations, your personal property and liability exposures that are not covered under your association's master insurance policy.

If there were a covered property loss at Pecos Place Homeowners Association, the master association's policy would rebuild the basic structure. Page 21, Section 8.7 defines the insurance responsibility for the unit owner; specifically "Insurance coverage on furnishings, including carpet, draperies, oven, range, refrigerator, wallpaper and other items of personal property belonging to an Owner, and public liability coverage within each Condominium Unit, shall be the sole and direct responsibility of the Owner(s) thereof..."

When obtaining an individual unit owner's insurance policy, if living in the unit, you need to obtain an HO6 (Condominium owner's) policy. The HO6 should include these four basic coverages: unit coverage, personal property coverage, liability coverage and loss assessment. The unit coverage should cover items specified in the declarations as the responsibility of the unit owner including window treatments, carpet, draperies, oven, range, refrigerator, wallpaper and any improvements/betterments made since original construction. Personal property coverage should include all furnishings and clothing. This coverage should be written on a replacement cost basis. Make sure the limit is adequate to cover the replacement of all your furniture, clothing, kitchen wares including dishes, pots and pans, CDs, towels and linens etc. The unit owner needs to purchase liability insurance for anything that occurs within their unit. When someone enters your unit, the liability exposure becomes yours. Finally, loss assessment coverage applies if you are assessed by the association for an uninsured claim or the deductible portion of a claim. The association has a 1% wind/hail deductible on their master policy. In the event of a total loss, each owner could be assessed \$1,176. Most HO6 policies include one thousand of loss assessment coverage. Some insurance companies will limit the amount of coverage to one thousand if the loss assessment is used to meet the association's deductible. Check with your insurance agent to see what is available. To raise the loss assessment limit to \$2,000 will cost less than \$3 annually.

If renting the unit out, you need to purchase a rental condominium policy (landlord's policy). The landlord's policy should offer unit coverage, personal property coverage, liability coverage as well as a loss of rents in the event the unit must be vacated while it is being repaired/rebuilt.

We recommend that each unit owner take pictures or videos of the inside of your home and store them somewhere away from your home. In the event of a loss, this makes claims handling much easier.

To request a quote or if you have questions about your personal insurance needs, please contact Cherry Creek at 303-799-0110. If you have questions regarding the association's insurance you can reach our agent, Pat Wilderotter at 720-212-2065. To request a certificate of insurance, please fax your request to 303-799-0156 attn: Dawn Leary.