

DATE: 10/10/2025
TO: THE BOARD OF DIRECTORS OF RED CEDAR CANYON TOWNHOUSE
ASSOCIATION, INC
RE: INSURANCE INFORMATION FOR UNIT OWNERS.

Dear Condominium/Townhome Unit Owner:

State Farm Fire and Casualty Company has been selected to insure your Association. This policy covers against risk of direct physical loss or damage, except what is excluded or limited in the policy.

The Association Master Policy provides blanket building coverage with a deductible of \$25,000 per occurrence.

Any damage to the building below \$25,000 WILL NOT be covered on the Association policy.

In the event of a claim resulting from wind and hail damage, the deductible will be equal to 5% of the insured building value per building, per occurrence. Depending on the severity of the damage, this could be up to \$20,655 per unit, per occurrence.

This policy is a “bare walls” agreement and WILL NOT cover the following internal building property:

Any damage below the association deductible - \$25,000.

Wall coverings, floor coverings, and window treatments.

Cabinetry, countertops, etc.

Finished millwork, trim, molding, etc.

Electrical, mechanical, or plumbing fixtures serving a single unit.

Appliances

Built-ins, or other betterments or improvements.

*It is your responsibility to contact your personal insurance agent to confirm seamless coverage between your personal HO-6 coverage and the Master Association Policy with adequate limits on each. This being said you should have your HO-6 carrier provide coverage equal to the deductible plus the items listed as excluded from coverage above. Our recommendation would be **Dwelling Coverage A**, equal to 30% to 50% of the total market value of your unit and **Loss Assessments Coverage of at least \$25,000.***

The association master policy does not cover your personal property, damage below the association deductible or building property excluded by the association. It will also not cover personal liability, loss of use, medical payments to others, and loss assessments.

The Cary W Charlson Agency specializes in insuring condominium/townhome associations. With this in mind, please feel free to contact them anytime via phone, email, fax or mail to ask any question that may come to mind.

WHAT TO DO IF YOU HAVE A LOSS:

Only your management company or an association board member can make a claim on your association policy. If a loss occurs to your unit, please alert your management company or association board immediately. If your loss involves the interior of your unit, be sure to alert your HO-6 carrier.

FOR THOSE WHO RENT YOUR UNIT TO OTHERS:

If you rent your unit to others, you should purchase a specialized rental condominium/townhome unit owner's policy to cover building property, liability, and loss assessments at the amounts recommended on page 1. As the unit owner, you are still responsible for covering any 'gaps' in your coverage. You can contact our office for more information on this type of policy.

CERTIFICATES OF INSURANCE:

Your Mortgage Lender may request a copy of the Association's proof of insurance. This document is commonly known as a Certificate of Insurance. If on your Certificate of Insurance (please refer to the bottom right corner) the Mortgage information is missing or incorrect, please contact certs@ccharlson.com

In order to update the Certificate of Insurance we will need:

Association Name

Your Name and Address

Mortgage Company Name and Address

Loan Number

The Certificate is valid until cancelled. A new one is not required each year. Should your Mortgage Lender request an updated Certificate, please contact certs@ccharlson.com