
Lewiston Townhouse Condominium Association

October 17,2022

Dear Lewiston Association Members:

We are writing to inform you that the Lewiston Association insurance carrier is adding a new endorsement to our condominium policy at renewal on November 1, 2022. This endorsement, "Windstorm or Hail Percentage Deductibles" changes how our deductible is calculated for losses caused by windstorm or hail damage. Under this endorsement, the deductible is 5% for each building or garage. This new endorsement applies whenever there is an occurrence of Windstorm or Hail loss.

Based on our current coverage amounts for the complex, the 5% deductible that association members would be responsible for is more than \$440,000. The condo association members would be responsible for the full cost to repair each building if the repair cost is less than this 5% deductible or \$+440,000. To cover the cost of the portion of loss, the association would be required to assess the loss equally to each condominium owner. At our current policy coverage limits, if this occurred each owner would be assessed approximately \$20,000.

So, what do we do to ensure that this amount of deductible cost for wind or hail loss or any other assessment for association uninsured loss does not get passed fully to our owners through a special assessment? **We will now require each individual condo owner to add a "Loss Assessment Coverage Endorsement" to their personal condominium insurance policy.** Loss assessment is a type of insurance coverage that protects condo owners in the event of damages to common areas of the property. If you have loss assessment coverage it defrays the cost of certain special assessments by covering the bill to each owner for the loss. **The amount of each unit for endorsement coverage is required to be at \$50,000 minimum for each unit.**

We have asked local insurance carriers for the cost of this additional coverage. Each member should contact their own insurance provider for accurate information – the cost is minimal, below follows the estimates we received:

American Family Insurance = \$50 annually

Farmers Insurance = \$140 annually

State Farm Insurance - \$25 annually

Please immediately contact your insurance carrier and add this Loss Assessment endorsement to your condo policy in the amount of \$50,000.

Regards,

Lewiston Board of Directors