

Lewiston Townhouse Condominium Association

Insurance Update

January 9, 2025

After multiple unsuccessful efforts to secure affordable coverage for the buildings and garages of the complex and after being declined for coverage by multiple carriers the board has passed the following motion:

That the board engage an attorney to assist with amending the association By-Laws to require that all owners carry full dwelling replacement cost coverage for their individual units and garages and that the Association be listed on the policies as Additional Insured. Additionally, the association Rules include certifications by the unit owner that units that are not continually occupied be inspected at least monthly and that the chimney and firebox are inspected and cleaned at least once every 5 years.

This action was not taken lightly. Quotes received ranged from \$120,000 to \$190,000 for annual coverage which would necessitate large dues increases or assessments. It has also been discovered that this situation is not unique to our association and is being experienced by homeowner associations across Colorado and the country.

By making this change, it spreads the risk across all of the owners and their individual carriers. The rule changes also mitigates the hazard risks associated with the most common risks of water damage due to frozen pipes and internal fires with the fireplaces. This change would not alter the association's responsibility to maintain the exteriors of the units or maintain the property grounds.

The per unit savings to the association would be about \$600 per unit of which about \$900 was factored into the 2025 budget/dues. If this is passed by the owners (any amendments to the By-Laws must be voted on by the owners), then the savings would be credited to the 2025 dues and for those that have already paid for the full year, then it would be credited to their 2026 dues.

So what are the next steps:

- Unit owners should begin to contact their insurance carrier to extend coverage to their entire dwelling including the exterior and garage in amount that would cover replacement cost of the unit and include the association as an Additional Insured.
- Unit owners that are not or do not have full time residents should secure a service to inspect their units at least monthly.
- Unit owners should contract to have their chimneys and fireboxes inspected and cleaned if it has not been done in the last 5 years.
- The board is securing an attorney to advise it on amending the By-Laws to affect this change. Any change to the By-Laws must be voted on and approved by the owners.

Should you have any questions regarding this notice, please contact the association board by email at lewistoncondohoa@gmail.com. Additional updates will be provided by mail and also posted on the association website www.lewistonhoa.com.