

Tuesday, December 3, 2024

Leisure Village HOA  
2805 Leisure Drive unit E  
Fort Collins, CO 80525  
leisurevillagehoa@gmail.com

Attention Leisure Village homeowner!

The wind/hail coverage provided by our insurance carrier, Westfield, will soon (effective January 23, 2025) be a **5% deductible** (5% of the property replacement value limit) rather than the \$5000 standard deductible applicable to other types of losses like fire.

Other available carriers also now apply similar reduced wind/hail coverage with a property replacement value limit percentage deductible. Unfortunately, that means we must effectively be self-insured for wind/hail damages.

Here's an example of a possible scenario:

A severe hailstorm occurs. Our roof shingles are a total loss on all three buildings and must be replaced. We obtain bids and the job ends up costing \$75,000. We have coverage with Westfield, but the 5% deductible applies. The current property replacement limits are \$1,276,528 for Building 2801, and \$969,300 for Buildings 2803 and 2805. That means Westfield would not pay until the \$63,826 in deductible for Building 2801, \$48,465 in deductible for Building 2803, and another \$48,465 in deductible for Building 2805 for a total of \$160,756 has been met—5% of the building evaluation replacement limits and way more than the actual roof replacement cost! Since such a loss would almost entirely deplete our current reserve savings, we would probably vote and approve a special assessment on each homeowner to cover most, if not all, of our roof replacement cost. The \$75,000 divided by 13 homeowners equals about \$5,770 each. A payment plan would be offered, but you would be required to pay the special assessment in a timely manner.

Since the total possible wind/hail damage deductible of \$160,756 divided by 13 equals \$12,365, then **your board of directors highly recommend that each homeowner maintain their own private condo insurance policy that includes Association Loss Assessment liability coverage of at least \$12,500.** (This amount is significantly higher than what we just recommended a year ago, so please check the coverage on your current policy.) With this coverage, you would submit a claim for the \$5,770 special assessment described in the example above to *your* insurance provider and they would reimburse you for that expense.

A copy of our current HOA insurance policy declarations may be found on our website:  
[www.leisurevillagehoa.org](http://www.leisurevillagehoa.org)

Please let me know if you have any questions.

James Cook

President, Leisure Village HOA