

Friday, December 1, 2023

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, is a 2% deductible (2% of the property replacement value limit) rather than the \$2500 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 basically 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 \$60,000. Westfield will cover the loss, but the 2% deductible applies. The current property replacement limits are \$1,185,263 for Building 2801, and \$900,000 for Buildings 2803 and 2805. That means we will have to pay \$23,705 in deductible for Building 2801, \$18,000 in deductible for Building 2803, and another \$18,000 in deductible for Building 2805 for a total of \$59,705—Westfield only pays us the \$295 difference! 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 \$59,705 divided by 13 homeowners equals about \$4,600 each. A payment plan would be offered, but you would be required to pay the special assessment in a timely manner.

Therefore, **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 \$5000.** (Such coverage is relatively inexpensive, and my current policy includes a \$11,500 Association Loss Assessment limit.) With this coverage, you would submit a claim for the \$4,600 special assessment 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

Please let me know if you have any questions.

James Cook

President, Leisure Village HOA