

Attention Leisure Village homeowner!

Effective January 1, 2022, our insurance carrier, Country Mutual Insurance, switched our wind/hail coverage to a 2% deductible (2% of the property replacement value limit) from the \$2000 standard deductible, which is still applicable to other types of losses like fire.

We obtained fresh bids from other carriers, but everyone is now applying similar reduced wind/hail coverage with a property replacement value limit percentage deductible.

Here's an example of what that means for us:

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 \$50,000. Country Mutual covers the loss, but the 2% deductible applies. The current property replacement limits are \$854,100 for Building 2801, and \$777,100 for Buildings 2803 and 2805. That means we will have to pay \$17,082 in deductible for Building 2801, \$15,542 in deductible for Building 2803, and another \$15,542 in deductible for Building 2805 for a total of \$48,166—Country Mutual only pays us the \$1,834 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 \$48,166 divided by 13 homeowners equals about \$3700 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 \$3700 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