



Layne Insurance Agency
234 N Main Street, Suite 1 B
Gunnison, CO 81230

Condominium Unit Owner's Policy Coverage Guide Village Center Condominiums

May 13, 2024

The Layne Insurance Agency is proud to provide the HOA master insurance policy for Village Center Condominiums. This letter serves to help unit owners understand the HOA coverages provided by the Farmers master insurance policy. This letter is also intended to assist in their understanding of coverages recommended for their personal condo unit owner's (HO-6) policy. All unit owners should have their own HO-6 policy to protect what is not covered by the association's master policy.

The master insurance policy for Village Center Condominiums provides 'bare-walls' coverage.

Reconstruction of the unit is provided by the HOA as follows:

For the electrical - all the wiring run within the walls is included, but fixtures are not. The same is true for plumbing. Hot and cold water pipes run within the walls or below the slab, along with sewer and ventilation stacks are included. However, no water heaters, sinks, showers, or toilets are included.

All interior partition walls are framed, dry walled, and primed, but they lack any paint or other coverings offered within the program. The same is true for the floor and ceiling finishes. Cabinets and appliances are also excluded. This occupancy does include heat, but air conditioning is not included.

Common Condo Unit Owner's Policy Coverages (HO-6)

Unit Owner's Building Coverage

- Recommended minimum coverage level of \$150-\$250/square foot of interior condo unit.
- Unit owners are responsible for:
 - Final surface finishes to ceilings, walls, and flooring.
 - Fixtures & appliances, such as those used for refrigerating, ventilating, cooking, dishwashing, laundering, security, or housekeeping.
 - Cabinetry and countertops.

Personal Property

- Average coverage amounts range from \$100,000 - \$250,000.
- Personal property coverage extends to the unit owner's belongings including, but not limited to:
 - Furniture, electronics, clothing, jewelry, equipment such as mountain bikes & ski gear.
- This coverage is personalized to your possessions; choose an amount sufficient to reimburse for any loss to possessions within the unit. Coverage can extend to reimburse at secondary locations.
- Discuss with your agent if your policy provides replacement cost or actual cash value (depreciated) reimbursement for your personal property.

The HOA master insurance policy **will not** cover your personal belongings.

If you own a unit that is rented to others, it is advised to verify that the peril of theft is covered under your current policy. It is common for some insurance companies to exclude theft of personal property within a rented unit. We advise you to consult your insurance agent regarding this matter.

Liability

- Recommended coverage is \$1,000,000 **or** \$300,000 paired with an ‘umbrella’ or excess liability policy.
- This coverage will pay for damages up to the policy limit from an occurrence for which an insured is legally liable to pay because of bodily injury or property damage covered by their policy.

The HOA maintains liability coverage for all common areas, but coverage **will not** extend to the unit owner for the interior of their unit **or** for acts of which they could be held liable themselves.

Loss of Use / Rents

- Recommended coverage is *no less than* the equivalent of \$2,000 per month **or** \$50,000 for a two-year period.
- If your unit is determined to be unlivable *due to a covered claim* situation, this type of coverage may reimburse up to the limit stated, for;
 1. Additional living expenses incurred while the insured is living at another location or
 2. Reimbursement for the loss of rent while the unit damage is repaired.

Loss Assessment

- Loss Assessment: recommended coverage is no less than \$25,000.
- Under certain conditions the association may levy assessments against either a group of unit owners or an individual unit owner. This endorsement provides coverage for such circumstances, subject to the terms of the policy and when *eligible under a covered claim situation*.

There are many aspects to consider when reviewing your condo unit owner’s policy, so we encourage you to discuss your current HO-6 coverages with your insurance agent and contact us with any additional questions. The coverages reviewed here are recommended but additional coverages not mentioned here may be available. Although this letter describes how many of these policy level coverages could be implemented, all claims are subject to a claim investigation and terms of the applicable policy.

We are happy to help, let us know how!

Best,

Christopher Layne

Layne Insurance Agency

Office: 970-641-3641

Cell: 346-373-0488

claynel@farmersagent.com

