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Dear Lake Front HOA Home Owner:

**Insurance on your unit:** Your Association Covenants dictate the areas of insurance responsibility for both the Association and each unit owner. As such, the master policy insurance company, CIBA, is bound subject to the terms and conditions of this policy to provide building coverage in accordance with your Declarations. The Association has elected to obtain a master policy of property insurance that will repair and replace your unit if damaged by a peril named in the policy, ie: fire, water damage, etc.

Each unit owner should obtain a policy of insurance (HO-6) designed specifically for owners of Town Homes/Condominiums. This policy should provide coverage that will include an amount equal to the replacement of cost of all of the owner's personal property (furniture, jewelry, clothes, appliances, etc...) as well as any and all improvements or betterments made to the Dwelling Unit's interior unfinished surfaces of its perimeter walls, floors and ceilings.

Your Association may assign the first \$5,000 of damage to you if the loss occurs to the property for which you have the duty to maintain. In most cases, your personal homeowners policy (HO-6) will respond to this assignment under their coverage A (Building).

You are also responsible for Public Liability within your unit (generally automatically included in an HO-6) but you should consult your personal agent to determine the appropriate liability limit of protection. This limit can be increased very economically.

As a member of an Association, you may be responsible for a portion of an Association assessment as a result of an underinsured covered loss. One unique aspect of your HO-6 is a provision to reimburse you for all or some of that assessment (depending on your individual insurance company). Please ask your agent about loss assessment coverage provided in your policy, if it can be increased and if so, at what cost.

If you experience damage to the interior of your unit, please contact your property manager, who will then advise the proper course of action.

Sincerely,

Peliton Insurance