

Insurance Information for: **Ridgemont Owners Association**

Dear Homeowner,

The purpose of this document is to educate you as to the insurance coverage for Ridgemont Owners Association and how it affects you as an Owner. These 5 points below are discussed in this letter so you understand the insurance coverage you need.

1. The Utah Law 57-8-43 and 57-8a-405 affects the insurance coverage for the association as well as you as a unit owner.
2. Master Policy Deductible - Should a covered loss occur to your unit, you are personally responsible for deductible of the Master Policy, or \$25,000.00.
3. A “Unit Owner” policy or an HO6 is strongly recommended to cover that first \$25,000 along with your personal belongings and other endorsements such as Sewer Back-Up & Loss Assessment Endorsement.
4. Specific information on how to request a certificate of insurance for your mortgage company.
5. Instructions on Procedures and Protocol when needing to file a claim.

1. Utah Law 57-8-43 Condominium and 57-8a-405 Community Association Act:

- A. Applies to Association and unit owner policies and supersedes anything to the contrary written in the CC&Rs (Covenants, Conditions and Restrictions).
- B. The Association’s policy includes for: “any fixtures, improvements, or betterments installed by a unit owner, or floor coverings, cabinets, heating and plumbing fixtures, paint, wall coverings, windows, and any item permanently attached to a unit.”
- C. When a covered cause of loss occurs the Association’s policy of property insurance shall provide ***primary coverage, the unit owner’s insurance policy shall be primary for the portion of the loss equal to the deductible amount on the Association’s policy.***
- D. If two or more owners suffer a loss in a single event, they are each responsible for payment of a portion of the Association’s deductible based on the percentage of the loss they each suffered.
- E. If an owner does not pay his/her share of the loss within 30 days after substantial completion, the Association may levy an assessment against the owner and place a lien on the unit
- F. If the unit owner has no insurance for a covered cause of loss, he/she is personally responsible for the loss to the amount of the Association’s policy deductible.

2. **Property Deductible:** The Association has a property deductible of \$25,000.00 for each occurrence. Payment for the first \$25,000.00 of damage becomes your responsibility when a covered cause of loss affecting your unit occurs. Payment of the deductible can and should be insured by your personal insurance policy. Consult your personal insurance advisor regarding your coverage.

3. **Unit Owner Policy (HO6) – Personal Insurance:** Homeowners should maintain personal insurance coverage. We recommend you do a comprehensive review with your insurance agent. See attached checklist.

4. **Requesting Certificates of Insurance:** Certificates of insurance may be requested by calling (801)-476-5119 or lperez@gwcu.org

5. **Claim Procedures & Protocol:** Claims for a covered cause of loss, within the following amounts, should be handled as followed:
 - A. **\$0-\$25,000 is the unit owner’s sole responsibility.** The cost of cleanup and repair would be paid out of pocket or from personal insurance coverage. Claims under \$25,000 will not be filed against the Association policy unless circumstances dictate otherwise.
 - B. **Claims over \$25,000 should be submitted to the Association’s policy. When a loss occurs:**
 - i. Take action to prevent further damage to your home.
 - ii. Contact your own insurance company and report the damage to your home.
 - iii. Contact a Board Member or the Community Manager regarding the damage.
 - iv. If the individuals above are not available, please contact a representative of the Goldenwest Insurance Services. Please note, we will only submit claims to the insurance company after approval from the Board or the Community Manager has been received.
 - v. A loss that involves your personal belongings, extra living expenses, personal liability, loss assessment etc., should be submitted to your personal insurance for these items. Likewise, damage to your home that is not covered by the associations insurance is your responsibility.
 - vi. Payment for claims made on the Association’s Insurance policy will be payable to the Association, *not to the individual home owner*.

Should you have any questions or concerns, please call the Goldenwest Insurance Services
 We look forward to working with you.

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Personal Insurance Check List

	Policy type - HO-6 form (commonly referred to as a condominium or unit owner's policy). Not an HO-3 homeowner policy or an HO-4 renter's policy.
	Coverage A (Dwelling coverage) We recommend at least a minimum coverage limit of \$25,000. Consult with your personal insurance advisor.
	Personal Property Coverage - Consult with your personal insurance advisor.
	Personal Liability - Consult with your personal insurance advisor.
	Loss Assessment – Consider a minimum of \$10,000 or higher.
	Loss of Rents – Is your unit a rental? If so this coverage should be purchased. If Unit is a rental, you need a business owner's policy to cover the unit properly.
	Any other riders such as Valuable Articles i.e.: jewelry, art, collectibles etc. Consult your personal insurance advisor.
	Sewer or drain backup coverage – Recommended amount \$25,000 if possible, if not possible highest limit allowed by carrier
	Other Endorsements your personal insurance advisor may recommend. (Loss Assessment)
	Earthquake coverage for your dwelling & contents, earthquake loss assessment etc. NO EARTHQUAKE INSURANCE HAS BEEN OBTAINED BY THE ASSOCIATION. Consult your Personal insurance advisor.
	Inventory – When a loss occurs you are responsible to prove your loss. We recommend taking photos and/or videos of your belongings in your unit. Consult with your personal Insurance advisor for recommendations on handling this based on your personal situation.