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Dear Countryside HOA owners,

This insurance information is being sent to you on behalf of the Board of Directors of the Countryside HOA. **Effective August 1st, 2024, the Board has approved to increase the deductible on the Master Insurance policy for the Association, to \$25,000.** As a result of this action, there are ramifications that each owner needs to consider, affecting the coordination between the Master Policy held by Countryside HOA, and your personal underlying policy coverage on your individual unit via an HO6 Insurance policy.

Under Utah Senate Bill 167, affecting Condominium Associations and how claims responsibility is determined and paid, each owner should increase their "Building Coverage" on their personal underlying policy for their individual unit to \$25,000, effective August 1st, 2024.

SB 167 places the responsibility of all claims for Property, (excluding Personal Contents), to be covered under the Master Policy of the Association. However, while the Master Policy for the Association is considered 'Primary' coverage for both interior and exterior building property damage, each owner is responsible for the first \$25,000 of any claim within their unit. Therefore, it is recommended that each Individual Unit Owner carry a personal HO6 policy to cover Personal contents, and to meet the \$25,000 deductible limit included in the Master Policy of the Association. An HO6 insurance policy for your unit may be purchased from the Agent for the Association, and most Utah Insurance Professional Agencies.

The Association maintains a master policy to protect your unit against loss from fire, water, wind, hail, and smoke damage, all at full replacement cost. This includes the structure, cabinets, counters, floor coverings, wall coverings and textures, lighting fixtures, and plumbing fixtures. Any upgrades to your unit are also covered, however it is the responsibility of the homeowner to document such upgrades in the event of a loss. Homeowners are strongly encouraged to document the interior of their units with photos, videos, and/or copies of receipts and contracts and to store this documentation in a safe place such as a safe deposit box or other secure off-site location.

Summarized below are the insurance requirements that you should strongly consider as an Individual Unit owner and as part of your insurance protection for your home, via an HO6 policy. These coverages can be categorized into five (5) basic areas of protection:

1-Building Property—This covers the walls-in of your unit, to include walls, paint, carpeting and other flooring, cabinetry, fixtures, and all permanently attached items in your unit. With the passage of Utah SB 167, this coverage will be provided for all Unit Owners at April Mountain, within the protection of the Master Policy. **The deductible on the Master policy will increase to \$25,000 effective August 1st, 2024.**

Therefore, until the master policy deductible of \$25,000 is met on a specific insurance loss incident, each Unit Owner is responsible for Building Property Coverage for your own unit via your own personal HO6 Insurance policy with the carrier of your choice. The Master Policy does not activate in a loss occurrence until the threshold of \$25,000 is exceeded during a single specific loss incident. You should review your personal policy to ensure that you have a minimum Building Property protection level equal to the \$25,000 deductible for the Master policy. In the event of damage within your unit for a covered insurance loss, as an owner, you would need to first file an insurance claim with your personal HO6 policy and your individual carrier. If the damages in your unit exceed \$25,000, only then would a claim be filed for coverage with the Master Policy's insurance carrier.

2-Contents—This coverage protects those items in your unit defined as your Personal Contents, and that can be removed from your home if you were to sell or relocate. Such items include furniture, clothing, electronics, kitchen items, skis, bikes, equipment, etc. The passage of Utah SB 167 does not change the responsibility for Contents coverage, in that each Unit Owner must include protection of these items within their personal HO6 insurance policy. Each Unit Owner should purchase this coverage from your insurance professional in the limit or amount of the value of what it would cost to “Replace” these items as “new”, or on an “undepreciated” value basis. It is recommended that you consult with your personal insurance Agent to determine the limit of Personal Contents coverage you should purchase within your HO6 policy.

3-Personal Liability—This protects you in the case of an individual claim or lawsuit against you, due to negligence on your part, resulting in the injury to another person, or damage to another's property. You should consult with your individual Insurance Agent as to the limit of protection you may require, as it is typically provided within your homeowners policy or HO6 policy in increments of \$500,000 or \$1mm, with options for higher limits via a Personal Umbrella or Excess Liability policy.

4-Loss Assessment—This coverage provides the monetary ability to pay an assessment that may be levied against the individual Unit Owners of the Association due to a non-covered insurance loss against the Master policy. Typically, this coverage is offered in limits of \$15,000 to \$25,000.

5-Sewer and Drain—It is recommended to insure for a minimum of \$25,000, but there may be a \$50,000 limit also available within the protection of your HO6 policy. A higher limit may be desired depending upon the square footage of your unit and the quality of interior finishes within your specific unit. This coverage provides protection in the case of a backup within your unit of a toilet, or the overflowing of a sink or water source within your unit, such as a floor drain, or sink stop drain. The subsequent damage from such an occurrence would be covered by the Sewer and Drain limit provided.

Please contact me directly if you have any questions regarding the Utah law affecting the master policy. You are encouraged to speak with your individual insurance agent to make sure that your individual situation is accounted for in your risk planning and evaluation.

Respectfully,

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