

CHERRY CREEK
INSURANCE GROUP
**ROCK RIDGE CONDOMINIUMS
INSURANCE NEWSLETTER**

Annually your Board of Directors purchases insurance for the condominium association that covers the buildings, personal property of the association, general liability on the common areas, fidelity coverage and directors and officers coverage. As unit owners, it is important that you maintain your own insurance to cover unit items that are your responsibility as detailed in Rock Ridge's declarations, your personal property and liability exposures that are not covered under your association's master insurance policy.

If there were a covered property loss at Rock Ridge, the master association's policy would rebuild the basic structure. Page 22, section 8.7 of Rock Ridge's declarations state "Insurance coverage on furnishings, including carpet, draperies, kitchen and other appliances, wall paper and other items of personal property belonging to an Owner of a Condominium Unit and public liability coverage within each Condominium Unit, shall be the sole and direct responsibility of the respective Owner(s)..."

When obtaining an individual unit owner's insurance policy, if living in the unit, you need to obtain an HO6 (Condominium owner's) policy. The HO6 should include these four basic coverages: unit coverage, personal property coverage, liability coverage and loss assessment. The unit coverage should cover items specified in the declarations as the responsibility of the unit owner including window treatments, carpet, oven, range, refrigerator, wall paper and any improvements (p.19, section 8.1) added by the Unit Owner. Personal property coverage should include all furnishings and clothing. This coverage should be written on a replacement cost basis. Make sure the limit is adequate to cover the replacement of all your furniture, clothing, kitchen wares including dishes, pots and pans, CDs, towels and linens etc. The unit owner needs to purchase liability insurance for anything that occurs within their unit. A limit of \$500,000 is suggested as a minimum but each owner should review their own assets and consider purchasing a personal umbrella. When someone enters your unit, the liability exposure becomes yours. Finally, loss assessment coverage applies if you are assessed by the association for an uninsured claim or the deductible portion of a claim. Most HO6 policies include one thousand of loss assessment coverage. Some insurance companies will limit the amount of coverage to one thousand if the loss assessment is used to meet the association's deductible. Check with your insurance agent to see what is available.

If renting the unit out, you need to purchase a rental condominium policy (landlord's policy). The landlord's policy should offer unit coverage, personal property coverage, liability coverage as well as a loss of rents in the event the unit must be vacated while it is being repaired/rebuilt.

We recommend that each unit owner take pictures or videos of the inside of your home and store them somewhere away from your home. In the event of a loss, this makes claims handling much easier.

Cherry Creek Insurance would be happy to answer any questions and provide a cost-effective solution for your individual homeowner's insurance in compliance with your Declarations. Be sure to ask us how to add value by having your auto and home insurance with the same insurance carrier.

To request a quote or if you have questions about your personal insurance needs, please contact Matthew Brennan at matthew.brennan@cherrycreekins.com or 720.330.7903. If you have questions regarding the association's insurance you can reach our agent, Pat Wilderotter at 720.212.2065.