

# 22 Station Owners Association, Inc.

PO Box 2635  
Olympic Valley, CA 96146

May 31<sup>st</sup>, 2021

## **Earthquake Insurance Disclosure Statement**

The 22 Station Association insurance policy does not have an Earthquake endorsement. The 22 Station Association since inception has not had an Earthquake endorsement, even though the CC&R's state that the Association shall carry Earthquake insurance unless a Majority of the Owners elect not to carry such insurance.

The CC&R's also state that the Board has the power and right to deviate from the insurance requirements in any manner that the Board, in its discretion, to be in the best interests of the Association.

In 2021, the Board requested Earthquake endorsement proposals from the 22 Station insurance broker. For \$69 million of coverage, the annual premium would be \$70,454 and the deductible would be \$3.5 million. If HOA purchased an Earthquake endorsement and filed a claim in the event of damages caused by an earthquake, any claim would have to exceed the deductible, and any claim payment from the insurance company would be less the deductible. The deductible amount would be recovered by a Special Assessment to be paid by all Homeowners.

At the May 20, 2020 meeting, after reviewing the terms of the Earthquake endorsement, the Board concluded that it was not in the best interests of the Association to purchase the Earthquake endorsement, and the Association will continue to self-insure Earthquake risk.