



P.O. Box 2635  
Olympic Valley, CA 96146

August 9, 2023

Dear 22 Station Homeowner

You are invited to attend a Town Hall for 22 Station Owners at 4:00pm PDT, Wednesday, September 6, 2023. The subjects of the Town Hall will be insurance and parking. Please save the date and conference information.

### **22 STATION OWNERS ASSOCIATION**

#### **TOWN HALL MEETING**

**Wednesday, September 6, 2023 @ 4:00pm PDT**

Join Zoom Meeting

<https://zoom.us/j/93233456370?pwd=amdiNFZJYOZMTGJFMUNaS1hITG90UT09>

Meeting ID: 932 3345 6370

Passcode: 944122

Dial in: 669 444 9171

### **INSURANCE**

At the July 25, 2023 22 Station Board Meeting, the Board approved the Vicko Insurance Services Property & Casualty policy which provides a maximum of \$82 million of “full value” coverage. The deductible is \$50,000 (\$100,000 for water damage). The premium for FY 2023-2024 is \$1.4 million. 22 Station received only one policy offer, this “full value” policy, on July 20, 2023. The term of the policy is August 1, 2023 to July 1, 2024. This policy conforms to the provisions in the 22 Station CC&R’s that the Board “shall maintain.” Board also approved a \$1 million increase in assessments for FY2023-2024. A letter from Kinser Insurance about the P&C policy and insurance is attached.

A purpose of the Townhall is for the Board to inform and receive input from the 22 Station Owners. 22 Station has the current P&C policy until July 1, 2024. Alternatively, a number of 22 Station Owners have advocated that 22 Station self-insure (i.e., have NO P&C insurance) or partially insure (less than “full value” coverage). The Board may terminate the P&C policy in mid-January 2024 (coincidentally about one month after the end of wildfire season), incur a

\$160,000 penalty fee, receive a net refund for the term unused, and self-insure or partially insure for the remainder of the fiscal year. The advantage of self-insure or partially insure is no or lower P&C insurance expense, respectively, and lower assessments for the remainder of the fiscal year. The possible negative consequences include, but are not limited to, Owners not satisfying their mortgage covenants, potential buyers not being able to attain mortgage financing, and in the event of a major damage event, large special assessments. Also, because of the insurance provisions of the 22 Station CC&R's amending the CC&R's may be a prerequisite to self-insure or partially insure. These alternatives may also be available next fiscal year. These insurance options will be presented at the Town Hall.

More information about 22 Station insurance and the Town Hall for insurance are available at [www.22station.com/insurance/](http://www.22station.com/insurance/) and [www.22station.com/townhall-insurance](http://www.22station.com/townhall-insurance).

### **Parking**

22 Station and PVNC are considering proposals to the infrastructure and operations of the P1 garage area. The objectives of the proposals are to benefit the Associations and Owners while maintaining Owners current use and enjoyment of the garage area and conforming to the Associations CC&R's. 22 Station and PVNC will present proposals to inform and receive feedback from 22 Station Owners. More information about the Town Hall for Parking is available at [www.22station.com/townhall-parking](http://www.22station.com/townhall-parking).

Sincerely,

22 Station Board of Directors

<b>Summary of Insurance Coverage:</b>		<b>22 Station Owners Association</b>
Company: <b>QBE Specialty Insurance Company / Vikco Insurance Services</b>	Policy Number:	<b>VPM1000289-00</b>
Habitational Package Policy	Policy Period:	<b>8/1/23 – 7/1/24</b>

Coverage Package - Property		
Coverage Name	Deductible	Limit
General Property Deductible / Water Damage Deductible		<b>50,000 / 100,000</b>
Building Amount	General Property Deductible	<b>80,633,060</b>
Unit Owners Coverage	General Property Deductible	<b>Per the CC&amp;Rs - Inclusive</b>
Building Contents	General Property Deductible	<b>1,275,900</b>
Building Ordinance - Loss in value to undamaged building property (Coverage 1)	General Property Deductible	Included
Building Ordinance – Demolition (Coverage 2)	General Property Deductible	<b>2,000,000</b>
Building Ordinance - Additional Cost of Construction (Coverage 3)	General Property Deductible	<b>2,000,000</b>
Mechanical Breakdown	General Property Deductible	Bldg Limit
Extended Replacement Cost (Building)	None	n/a
Building Valuation	General Property Deductible	<b>Agreed Amount</b>
Backup Sewer & Drain	General Property Deductible	<b>25,000</b>
Specified Property	None	n/a
Outdoor Property	General Property Deductible	25,000
Outdoor Signs	General Property Deductible	5,000
Trees, Shrubs And Plants	General Property Deductible	1,000 Any One Tree, Shrub or Plant \$25,000 Per Occurrence
Employee Dishonesty (Fidelity)	see CRIME	<b>see CRIME</b>
Debris Removal	General Property Deductible	Included
Fine Arts	General Property Deductible	25,000
Pollutant Cleanup & Removal, Removal and Disposal	General Property Deductible	25,000
Electronic Data	General Property Deductible	25,000
Fire Extinguisher Systems Expense	General Property Deductible	10,000
Asbestos Exclusion	n/a	<b>Applies</b>
Garage Keepers	n/a	Not Included

Standalone Commercial General Liability - Burlington Ins. Co. - Policy #891BG07765, 7/1/23 – 7/1/24		
Coverage Name	Deductible	Limit
Liability Limit Per Occurrence	5,000	<b>1,000,000</b>
Aggregate Limits - All Other Occurrences		<b>2,000,000</b>
Aggregate Limits - Products/Completed Operations		<b>1,000,000</b>
Medical Payments		5,000
Fire/Tenants Liability		50,000
Hired Auto Liability		<b>1,000,000</b>
Non-Owned Auto Liability		<b>1,000,000</b>
Premises and Operations		Included
Contractual Liability		Included
Personal and Advertising Injury Liability		Included
Products and Completed Operations		Included

<b>Standalone Directors &amp; Officers – Travelers Indemnity Co. - Policy # 107663065, 7/1/23 – 7/1/24</b>		
Coverage Name	Deductible	Limit
Community Association Management Liability - Per Claim	5,000	<b>2,000,000</b>
Directors and Officers Errors and Omissions Liability		Included
3rd Party Discrimination & Employment Practices Liability		Included
D&O - Broad Named Insured		Included
D&O - Defense Costs in addition to policy limits		Included
D&O - Non-Monetary Defense		Included
D&O - Property Manager		Included

<b>Standalone Crime Coverage – Hanover Insurance Co. - Policy # BDW-D881898-01, 4/1/22 – 4/1/25</b>		
Coverage Name	Deductible	Limit
Fidelity	10,000	<b>3,250,000</b>
Funds Transfer Fraud		3,250,000
Computer Fraud		3,250,000
Forgery and Alteration		3,250,000
Money Orders and Counterfeit Paper Currency		3,250,000

<b>Umbrella Coverage</b>	<b>Self-Insured Retention</b>	<b>Limit</b>
Greenwich Insurance Company, Policy # PPP7460848, 7/1/23-24	-	<b>10,000,000</b>

<b>OTHER / MISCELLANEOUS</b>	<b>Deductible</b>	<b>Limit</b>
<b>Scheduled Auto</b> - Policy # n/a – n/a	n/a	n/a
<b>Inland Marine</b> - Policy # n/a – n/a	n/a	n/a
<b>DIC - Quoted</b> Policy # Declined, DIC Declined	n/a	<b>Declined</b>
<b>Work Comp</b> - n/a, Policy # n/a	n/a	<b>WC - n/a - Statutory / EL n/a</b>
<b>NFIP Flood</b> - Policy # n/a	n/a	n/a

**This Summary of Insurance does not constitute a contract between the issuing insurer(s), authorized representative or producer and the holder of this document, nor does it affirmatively or negatively amend, extend, or alter the coverage afforded by the policies listed thereon.**



## Kinser Insurance Agency

Serving Mountain & Resort Towns

1495 Pine Grove Rd, Ste 201A

Steamboat Springs, CO 80487

970-879-1330 (Office)

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[www.farmersagent.com/jkinser](http://www.farmersagent.com/jkinser)

[www.KinserInsurance.com](http://www.KinserInsurance.com)

August 1, 2023

### Unit Owners of 22 Station Homeowners Association:

Effective 8/1/2023, the insurance coverage for **22 Station Homeowners Association** was placed through QBE Specialty Insurance Company / Vikco Insurance Services. Effective this date, the association policy will insure the common elements of the association and the permanently fixed, real property assets on the interior of a residential condominium unit as required by and to maintain compliance with the governing documents of the association. As required by the insurance carrier, property coverage is subject to a \$50,000 general building deductible and a \$100,000 water damage deductible.

This correspondence is to assist in clarifying the coverages provided by the **22 Station Homeowners Association** insurance policy. \*

The **22 Station Homeowners Association** policy is written in a format known as “Per the CC&Rs” coverage, or sometimes “Per the Decs”, which requires coverage align with that required by the governing documents of the association. Per the declaration, the association is required to insure the following:

- **Full Insurable Value of All Improvements**
  - Common Elements (buildings, structures and common areas)
  - Limited Common Elements (outdoor decks, patios, etc.)
  - Residential Units (including owner upgrades)

To attempt to clarify this coverage format in non-insurance terms, it can be said that "if you shook or turned the unit over, property within the unit that does not move is *Building Property* and insured on the association policy", subject to the applicable deductible. This would include interior walls, doors, finished floor coverings, cabinets, fixtures, and built-in appliances including unit-owner upgrades to the residential unit. \*

**Although this coverage format is extensive to include the full value of the association property coverage requirements, it does not cover everything in your unit.**

For example, with the current association general building deductible is \$50,000 and water damage deductible of \$100,000, it is entirely possible for there to be a claim within your unit in which you would be called upon to make up the \$100,000 gap in building coverage. Additionally, there are several other necessary coverages not available on the association policy which you should insure.

As a residential unit owner, you are strongly advised to address what is not covered in the unit by purchasing your own Condominium Unit Owners Policy (aka “HO6” policy). Many unit owners NOT have this coverage at adequate limits already, due to the recent changes in deductible amount. If you do not already have a Condominium Unit Owners insurance policy, it is strongly suggested that you purchase one. To insure the gap in building coverage, you will need to insure *Building Property* or *Building and Alterations* coverage within the perimeter walls of your unit at replacement value of not less than \$100,000.

In addition to Building and Alterations, most unit owner's policies will include coverage for your Personal Property within the unit; the Loss of Use or Loss of Rental Income as applicable; Loss Assessment; and Personal Liability. A sample of coverages that should be on your policy follows:

<b>Building property</b>	<b>not less than \$100,000</b>
<b>Personal property</b>	<b>Replacement Cost limits – min. \$20k</b>
<b>Loss of Use (Loss of Rents)</b>	<b>Annual Rental Income</b>
<b>Loss Assessment</b>	<b>\$50,000 (not less than)</b>
<b>Personal Liability</b>	<b>\$1,000,000 (not less than)</b>
<b>Backup Sewer &amp; Drain</b>	<b>Maximum Available - \$50,000 (recommended)</b>

Under certain conditions and subject to non-discriminatory standards described within California Statutes, it is entirely possible for a unit owner to be assessed the condominium deductible. However, not all insurance companies will respond to such a claim. It is highly advised that you consult with your agent or examine your unit owner's policy to confirm the coverage for the assessment of an association deductible.

If you own a rental unit, it is also advised to verify that the peril of theft is covered under your current policy. It is not uncommon for insurance companies to exclude the theft of personal property within your rented unit. Again, consult your agent or policy regarding this potential gap in coverage.

The board of your association is **not** directing you to purchase your policy from any particular insurance company or agency. In fact, these types of policies are common in the industry and typically inexpensive to purchase. If you now have a policy, call your current agent and have him modify your coverage to limits not less than those shown above.

This letter is not meant to preclude the professional responsibility of your current insurance agent to design and suggest coverages which fulfill your specific needs. Depending on the underwriting requirements of your insurance company, there could be reasons for more or different coverages than those shown above.

Failure to heed this warning could be expensive. Please contact your agent immediately.

Kinser Insurance Agency, Inc.

**\*Disclaimer:** This document is meant to be a general description of coverages for use as a guideline in the purchase of personal individual unit owner's policies only. All association coverages are subject to specific policy language, exclusions and limitations of policy number VPM1000289-00 issued by QBE Specialty Insurance Company. All claims, both future and past, will be adjusted and evaluated by use of the specific causes of loss peculiar to the event in question, with insurance proceeds subject to the specific applicable policy language in force at the time of the loss.