

CINNAMON VILLAGE

May 2, 2019

MAILED TO ALL CINNAMON VILLAGE HOA HOMEOWNERS

VERY IMPORTANT NOTICE - INSURANCE COVERAGE CHANGE!!!

RE: «PROP. STREET ADDRESS» «PROPERTY CITY-STATE-ZIP»

Dear Cinnamon Village I Homeowner:

Due to the increasingly limited market for HOA master insurance policies, steep premium increases, and 5% deductibles for protection from wind and hail, on April 16, 2019, the Board unanimously determined to withdraw coverage on the homeowner dwellings from the HOA master insurance policy. Upon receipt of the 2019 renewal premium increase of \$14,000, the Board decided the Association finances could not bear this expense any longer. If you are not already aware, the Cinnamon Village I Homeowners Association governing documents do not require the Association to provide insurance coverage on the individual homes.

As of May 31, 2019, the Cinnamon Village Homeowners Association master insurance policy will no longer exist in its current form. The hazard insurance for the homeowners structures and roofs will be excluded. The Association's insurance policy will be reduced to coverage required by the governing documents and state statutes.

Homeowners are hereby notified of the new requirement to obtain a single family homeowners insurance policy (commonly referred to an HO-3 Policy) effective May 31, 2019 at their own expense.

Enclosed you will find a SAMPLE H-03 Home Insurance Policy which was provide by the Curt Henderson Insurance Agency for your reference. This sample policy may be used as a guide when seeking coverage through your current insurance agent. The enclosed document is not an Association Board of Directors endorsement for Farmers Insurance or the Curt Henderson Insurance Agency. At the same time, you are welcome to seek a quote directly from Mr. Henderson's agency as they are familiar with the change in the Association's coverage.

The sample should not be mistaken for a quote for your personal coverage. Quotes and coverage are to be obtained by you, the property owner. All costs associated with the H-03 policy are a homeowner responsibility.

Property insurance is one of the largest HOA expenses. Since this common expense will be reduced, the Board will be seeking a reduction in the HOA fees for the 2020 budget. The reduction amount has not yet been determined, but will be ratified by the homeowners during this years Annual Meeting normally held in November. As always, homeowner members of the Association are welcome at attend Board Meetings. The next meeting is scheduled for May 21, 2019 7:00 p.m. at the Grace Church, 19001 East Jefferson Drive, Aurora, Colorado 80013.

Respectfully,
For the Board of Directors
Dan Anderson, Licensed Community Association Manager
Cinnamon Village Homeowners Association
CC: Insurance File

CINNAMON VILLAGE

«TODAY'S DATE <FULL>»

MAY 2, 2019 MAILED TO ALL HOMEOWNERS

«OWNER'S NAME»

«MAILING ADDRESS LINE 1»

«MAILING ADDRESS LINE 2»

«MAILING CITY-STATE-ZIP»

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Respectfully,
For the Board of Directors
Dan Anderson, Licensed Community Association Manager
Cinnamon Village Homeowners Association
CC: Insurance File

Farmers Value Insurance Package®



Prepared for Sample Proposal

3664 S Danube Cir
Aurora, CO 80013-3632

Agent: Curt R Henderson

Prepared By: Curt R Henderson
5105 Dtc Pkwy Ste 220
Greenwood Village, CO 80111
chenderson@farmersagent.com
www.farmersagent.com/chenderson
Telephone - (303) 706-1000

farmers.com

Proposal Date: 4/29/2019

Prepared For:
Sample Proposal

Prepared By:
Curt R Henderson

Farmers Value Insurance Package®

Insurance Package Summary



Coverage	Proposed
Residential Property Coverages	
Coverage A - Dwelling	265,000
Extended Replacement Cost (In Addition to Coverage A Limit)	25% (\$66,250)
Coverage B - Separate Structures	13,250
Coverage C - Personal Property	145,750
Contents Replacement Coverage	Replacement Cost
Coverage D - Loss of Use	79,500
Coverage E - Personal Liability	300,000
Coverage F - Medical Payments To Others	1,000
Sewer & Drain	5,000
Building Ordinance or Law	10%
▶ Annual Premium	\$1,250.73

Summary

Total Package Premium, excluding Fees	\$1,250.73
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This is merely a proposal and is not a policy of insurance or offer to insure. Rates quoted reflect the rates in effect for the various policies as of the date of this proposal and are subject to revision. Estimate may include discounts for purchasing multiple lines of business (if applicable). The company reserves the right to accept, reject, or modify this proposal, after investigation, review of the application and review of all other underwriting information. Coverages are provided by members of the Farmers Insurance Group of Companies.

Farmers Value Insurance Package®



Residential Property Insurance Estimate

Estimate Number: 92286327

Policy Number: Policy 1

Proposed Effective Date: 4/29/2019

Property Address: 3664 S Danube Cir
Aurora, CO 80013-3632

Term Length: 12 months

Proposal 1

Underwritten By	Farmers Insurance Exchange
Policy Type	Farmers Smart Plan Home®

Property Coverage Information

Coverage	Proposal 1	
	Limits/Coverage	Premium
Coverage A - Dwelling Replacement Cost Coverage (Estimated Cost to Rebuild) Replacement Cost Coverage	265,000	\$1,149.24
Extended Replacement Cost (In Addition to Coverage A Limit)	25% (\$66,250)	Included
Coverage B - Separate Structures	13,250	Included
Coverage C - Personal Property Contents Loss Settlement Coverage	145,750 Replacement Cost	Included Included
Coverage D - Loss of Use Additional Living Expense Term	79,500 12 Months	Included Included
Coverage E - Personal Liability Personal Injury	300,000 Covered	\$35.29 \$3.53
Coverage F - Medical Payments To Others	1,000	Included
Identity Fraud Indemnity Coverage	1,500	Included
Identity Fraud Expense Coverage	15,000	\$12.21
Building Ordinance or Law	10%	Included
Sewer & Drain Damage - Extended Contents	5,000	\$50.46
Limited Matching Coverage for Siding and Roof Materials	10,000	Included
Roof Materials Loss Settlement	Replacement Cost Value	Included
Coverage for Marring to Certain Metal Materials	Covered	Included

farmers.com

Proposal Date: 4/29/2019

Prepared For:
Sample Proposal

Prepared By:
Curt R Henderson

Farmers Value Insurance Package®

Coverage	Proposal 1	
	Limits/Coverage	Premium
Personal Property at 2nd Residence	\$14,575.00(10 % of Personal Property Limit)	
Theft of Jewelry Watches Furs	1,000/2,500	
Theft of Firearms	2,000	
Business Property - On Premises / Off Premises	1,500/ 500	
Electronic Data Processing	2,000	
Data Limit - \$1,000 combined with EDP	1,000 Separate Limit	
Money	250	
Deeds, Securities, Valuable Papers	1,000	
Silverware, Goldware	2,500	
Imported Rugs	5,000	
Theft of Collectable Cards and Comic Books	200/2,500	
Watercraft and Windsurfers	1,500	
Trailers	1,200	
Auto Parts	Not Covered	
Term Premium		\$1,250.73

Property Premium Summary

	Proposal 1
Term Premium	\$1,250.73
Policy/Membership Fee	\$25.00
► Term Premium and Fees (excludes any applicable billing fees)	\$1,275.73

Property Deductible

	Proposal 1
Applicable to each covered property loss	\$2,500

► **Your home policy includes a Declining Deductibles® benefit that reduces your effective deductible at each renewal.**

Property Discounts

Discount Type	Proposal 1
ePolicy	Applied
Preferred Payment Plan	Applied

Farmers Value Insurance Package®

<i>Discount Type</i>	<i>Proposal 1</i>
Claim Free	Applied
Good Payer	Applied
▶ Total Discount Savings	\$449.91

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Henderson Insurance Agency

Insurance Proposal For

Cinnamon Village Homeowners Association

Proposed Effective 05/31/2019 to 05/31/2020

*Commercial Package Comparison

Property

	Farmers Insurance (Current)	Farmers Insurance (PUD)
Insurance Company		
Building Limit	\$ 17,041,400	\$ None
Building Coinsurance	None	None
Business Personal Property	\$ N/A	\$ N/A
Property Deductible	\$ 5,000	\$ 5,000
Wind/Hail Deductible	\$ 5% of Building (\$852,070)*	\$ N/A
Outdoor Property	\$ 50,000	\$ 50,000
Specified Property		
Including Pool or pools	\$ 100,000	\$ 100,000
Outdoor Signs	\$ 50,000 (\$500 Ded.)	\$ 50,000 (\$500 Ded.)
Ordinance or Law (Coverage A)		
Undamaged Portion	\$ Included in Building Coverage	\$ N/A
Ordinance or Law (Coverage B) Demolition	\$ 260,000	\$ N/A
Ordinance or Law (Coverage C)		
Increased Cost of Construction	\$ 260,000	\$ N/A
BBQ's Allowed On Balconies	Yes	Yes
Backup of Sewer & Drain	\$ 100,000	\$ N/A
Machinery & Equip Breakdown	\$ Included in Building Coverage	\$ N/A
Flood Limit	\$ N/A	\$ N/A
Flood Deductible	\$ N/A	\$ N/A

Commercial General Liability

	Farmers Insurance	Farmers Insurance
Insurance Company		
Each Occurrence Limit	\$ 1,000,000	\$ 1,000,000
General Aggregate Limit	\$ 2,000,000	\$ 2,000,000
Personal & Advertising Injury	\$ 1,000,000	\$ 1,000,000
Damage to Premises Rented	\$ 75,000	\$ 75,000
Medical Expenses	\$ 5,000	\$ 5,000
Cyber Liability	\$ 50,000	\$ 50,000

Directors & Officers

	Farmers Insurance	Farmers Insurance
Insurance Company		
Occurrence Limit	\$ 1,000,000	\$ 1,000,000
Deductible	\$ 1,000	\$ 1,000
Errors & Omissions	Yes	Yes
Coverage for Property Mgrs	Yes	Yes
Discrimination	Yes	Yes
Defense Cost outside of limits	Yes	Yes
Non-Monetary Damages	Yes	Yes

Henderson
Insurance
Agency
"Where Good
Old Fashion
Customer
Service is
Never Out of
Style"

Comments

*The 5% Wind and Hail deductible has per building language included. So, if you have a partial loss to just some of the buildings it is just 5% of the buildings damaged rather than the total building limit.