

# FORUM WEST CONDOMINIUM

## SECTION I & SECTION II

13570 Coliseum Drive, Chesterfield, MO 63017

(314) 514-8004 (314)434-8337 fax

---

September 11, 2018

### TO THE OWNERS AT FORUM WEST CONDOMINIUM FROM YOUR BOARD OF DIRECTORS

The Association's Master Insurance Policy renews September 15th. We received a letter from our current insurance company that they would not renew our policy due to the age and condition of our roofs and past water damage claims. Consequently, a team of your board members, roofing consultant, manager, insurance agent, and risk manager went to work aggressively seeking either to save the current coverage or find another insurance company. We were able to demonstrate to our current insurer that their conclusions were not correct and finally received a renewal offer last week.

We have confirmed that their renewal offer is by far the least cost option for continued excellent comprehensive coverage. The only change is higher deductibles. Here are the new deductibles, which are your responsibility when damage is to *your* Unit or *your* building.

- 5% of each building limit for Wind and Hail (about \$13,500 for each owner)
- 10% of each building limit for Earthquake (about \$27,000 for each owner)
- \$25,000 deductible per occurrence for all other covered losses

**It is mandatory that every owner have a Unit-Owner's Policy to cover your share of the above deductibles.**

The following documents are attached, which explain how you can cover the Master Policy deductibles on your own personal Unit Owner's Policy. Please share this with your personal insurance agent so they can provide proper coverage for damage to your unit which is under the master policy deductibles. Also, request that they add *Forum West Condominium Association as Additional Interest* and email a copy of your Declaration Pages to [condomgr@woodsmillpointe.com](mailto:condomgr@woodsmillpointe.com) or mail it each year to the above address.

1. Procedure for Property Insurance and Property Claims
2. Illustrative Unit Owners Policy Proposal  
(can be purchased from our Risk Manager, O'Connor Insurance, or your own personal agent)

**Below are some important features your Unit Owner's Policy should include:**

- Dwelling-Special Form for \$27,000 to cover unit damage under the highest Master Policy Deductible, *plus the value of improvements made by you or prior owners.*
- Contents Coverage for your personal property, furnishings and belongings.
- Personal Liability Coverage for your legal liability. At least \$500,000 is recommended.
- Earthquake endorsement
- \$13,500 Loss Assessment to cover the Master Policy deductible for "common element" losses such as roof damage caused by Wind and Hail. We recommend increasing this to \$50,000 to cover other unforeseen common property or liability losses which may be assessed to owners. The cost should be \$5-\$10.
- Sewer or Drain Backup endorsement for \$25,000, plus owner's improvements and contents.

We realize that this notice provides very limited time for you to contact your agent before the Master Policy goes into effect, but this was beyond our control, and working through this with our current insurer saved all of us from a very substantial increase in condo fees required for this mandatory coverage.

If you have questions about the insurance, call our Risk Manager, O'Connor Insurance at 314-434-0038. They insure over 500 Community Associations in the metropolitan area and will be happy to help you. If you need proof of insurance for your mortgage company, please ask them to fax their request to O'Connor Insurance at 314-434-4020 or email it to [info@oconnor-ins.com](mailto:info@oconnor-ins.com).

**FORUM WEST CONDOMINIUM ASSOCIATION**  
**SECTION I AND SECTION II**  
**PROCEDURE FOR PROPERTY INSURANCE AND PROPERTY CLAIMS**  
**EFFECTIVE September 15, 2018**

Pursuant to the Declaration and By Laws of Forum West, the Board Members hereby revoke any prior rules and procedures regarding insurance and enact the following rules and procedures.

**ITEM I. PROPERTY INSURANCE**

The Association shall provide a Master Policy of property insurance to cover the Common Elements, Limited Common Elements and the Units for Earthquake and Special Causes of Loss, which generally covers all losses except those specifically excluded such as, but not limited to flood, insect damage, wear and tear. Coverage under the Master Policy includes replacement cost on the buildings and the Units. Units include attached interior finishing such as carpeting or other flooring, plumbing and lighting fixtures, built-in appliances and cabinets; but only to the extent, type and quality of such items as installed when the Unit was originally sold to the first Owner. The additional value of Unit improvements or additions made by current or prior Owners shall be insured by Owners.

**ITEM II. MASTER INSURANCE POLICY DEDUCTIBLE**

The Master Policy deductible is \$25,000 for covered losses, other than Wind, Hail and Earthquake. The Master Policy Wind and Hail deductible is 5% of each building's insurance limit. A current estimate of each Owner's share of damage below the Wind and Hail deductible is \$13,500. The Master Policy Earthquake deductible is 10% of each building's insurance limit. A current estimate of each Owner's share of damage below the Earthquake deductible is approximately \$27,000 if all the Units in a building are damaged. Since the insurer does not pay for the first dollars of repair or reconstruction below these deductibles, the responsibility to pay for the damage below the deductible shall be as follows:

1. If a loss is to the Common Elements only (other than Limited Common Elements) and is caused by other than Wind and Hail, the damage below the deductible shall be paid by the Association. However, if such loss is caused by the negligence of an Owner or his/her household member, then the loss shall be paid by that Owner.
2. If Wind and Hail loss is to the Common Elements and/or Limited Common Elements, the Owners whose building is damaged shall share the amount of damage below the Master Policy deductible equally as an assessment for property owned by members collectively.
3. If a loss involves one Unit and/or Limited Common Elements serving that one Unit, the Owner shall be responsible to pay the damage below the Master Policy deductible.
4. **If a loss involves more than one Unit** and/or Limited Common Elements serving those Units, then the Owners involved in the loss shall share the amount of damage below the Master Policy deductible equally, not to exceed the amount of damage to their respective Unit and/or Limited Common Elements, **except:**

**If a loss originates in a particular Unit**, the damage below the Master Policy deductible shall be paid first by that Owner, not to exceed the amount of damage to his/her Unit and/or Limited Common Elements. The remainder of the damage below the Master Policy deductible shall be shared equally among the other Owners who sustain damage, not to exceed the amount of damage to their respective Unit and/or Limited Common Elements. **If the loss is caused by the negligence of an Owner** or his/her household member, then the damage below the Master Policy deductible shall be paid by that Owner in full.

**ITEM III. OWNERS' RESPONSIBILITIES**

Each Owner should purchase a Unit Owner's Policy to cover their personal property, personal liability, and the first dollars of their Unit damage below the Master Policy deductibles shown above. This policy should include *Special Form, Earthquake, and Sewer or Drain Back Up* coverage. The Dwelling Limit should be high enough to cover damage below the largest Master Policy deductible, plus the additional value of *Improvements and Additions* made to the Unit by current and prior Owners. The Unit Owner's Policy should include **\$50,000 Loss Assessment** to cover Wind or Hail loss to Common Elements, such as roofs, or to liability losses which as assessed to owners. Each Owner is responsible for the deductible on his own Personal Policy, regardless of the cause of loss.

**ITEM IV. NON-COVERED LOSSES**

The Association is not responsible for property losses occurring to property owned or used exclusively by an Owner when the loss is not covered by the Association's Master Policy.

**ITEM V. DISCRETION REGARDING CLAIMS**

The Association reserves the right to NOT file small claims due to willful, intentional or negligent conduct, vandalism, malicious mischief, damage resulting from tenant occupancy, or from using charcoal grills on decks. If the Board elects not to file a claim in order to protect the insurability for ALL the Owners, then the Owner(s) responsible for the damage shall pay for the entire loss or a proportionate share thereof. **Negligent** conduct includes, but is not limited to, failure to maintain a temperature of at least 62 degrees Fahrenheit when the outside temperature is below freezing.

**ITEM VI. ADJUSTMENT OF LOSSES**

The Board shall adjust all losses covered by the Association's Master Policy. No Owner shall have the right to adjust a loss directly with the Association's Insurer, even for damage solely to his Unit. The Owner shall give the Association and its contractor reasonable access to his Unit to adjust and repair the Unit and any damaged adjoining Units.

The Association, through its own agents and contractors, shall repair all damage, but may approve contractors hired by Owners if a firm written proposal is approved by the Board and the Association's Insurer in advance. In the event an Owner shall employ his own contractor, the Board may pay the contractor directly, but only after the work has been inspected or certified that it is fully completed according to the allowed adjustment by the insurer, all lien waivers are received, and the Owner signs any required release. If the Owner does not fully repair the Unit according to the insurer's allowed adjustment, any excess insurance funds will be held in trust until the work is completed. If the work is not completed within 180 days of the date of loss, then the "Actual Cash Value" of the damaged property, (Replacement Cost less depreciation), may be distributed to the Owner, unless the Board decides it is necessary for the Association to complete the repairs in order to protect the interests of other Owners.

The Master Policy premiums are common expenses of the Association, which are provided for in the assessments paid by the Owners. All assessments shall be paid in full prior to any disbursement of insurance proceeds to any Owner for his damage. The Board shall apply all or a portion of any insurance proceeds first to payment of delinquent assessments, and then disburse the balance of such proceeds to the Owner for repair of the Unit.

The undersigned Board Members hereby execute the foregoing rules and procedures, and certify that these have been duly adopted by the Board.

***Your Section I and Section II Board of Managers***

**UNIT OWNER'S RESPONSIBILITY**  
**ILLUSTRATIVE UNIT OWNER'S POLICY PROPOSAL**  
**FORUM WEST CONDOMINIUM-SECTION I AND SECTION II**

<u>COVERAGES</u>		<u>LIMITS</u>	<u>DESCRIPTION</u>
A	DWELLING	\$27,000 (Add the value of owners improvements)	<i>Special Form</i> covers your Unit for damage which is below the highest Master Policy Deductible. Increase this limit to cover your Additions and Improvements for about \$3.50 per \$1,000
C	PERSONAL PROPERTY	\$ _____	<i>Special Form</i> covers your contents – <i>new for old</i> . Select a Personal Property Limit below to determine your approximate premium.
D	LOSS OF USE	50% of Personal Property Limit	Extra Living Expenses are covered when you are not able to live in your unit after a covered loss.
E	PERSONAL LIABILITY	\$500,000	A high legal liability limit is needed in multi-family buildings, in the event you negligently damage your neighbors' property, such as causing a fire.
	SEWER AND DRAIN BACK-UP	\$25,000	Covers your Unit and Personal Property. There is a \$1,000 deductible.
	DEDUCTIBLE	\$500	Per occurrence deductible for all property losses, except Earthquake and Sewer and Drain Back Up.
	EARTHQUAKE	15% Deductible	Coverage is provided up to your Dwelling Limit, Personal Property Limit, and Loss of Use Limit. The deductible applies to each limit.
	LOSS ASSESSMENT	\$13,500	Covers Common Elements such as roofs when the Master Policy Deductible is assessed to Owners. Increase to \$50,000 for an additional \$4 to cover common property and liability losses assessed to owners.

**ANNUAL PREMIUMS**  
**SELECT YOUR PERSONAL PROPERTY LIMIT**  
 Premiums could vary due to individual underwriting information

PERSONAL PROPERTY LIMIT	\$50,000	\$60,000	\$70,000	\$80,000	\$90,000
ANNUAL PREMIUM	\$400	\$401	\$449	\$477	\$497

(09/18)

©Copyright 1985-2018 O'Connor Insurance Agency

