

**THE ENCLAVE AT BROADMOOR GLEN HOMEOWNERS ASSOCIATION, INC.  
INSURANCE CLAIMS AND DEDUCTIBLES POLICY AND PROCEDURE**

Effective Date: 10/14/17

In compliance with the Colorado Common Interest Ownership Act and Article VIII, Section 8.3 of the Declaration of Covenants, Conditions and Restrictions of The Enclave at Broadmoor Glen ("Declaration"), the Board of Directors wishes to establish a uniform and systematic policy and procedure for submitting claims to the Association's insurance carriers and for allocating deductibles.

1. **Association Insurance.** The Association maintains property insurance and liability insurance for the Common Area and those portions of the Lots in accordance with the requirements set forth in Article VIII of the Declaration. The Board will select the Association's insurance policy and deductible based upon proposals periodically received, best business practices, and the economic condition of the Association. In performing its duty, the Board has obtained policies that provide the following coverage:

A. **Property Insurance.** As of the date of this resolution, the current level of property insurance for the Lots is an all-in policy that includes the finished surfaces of perimeter and partition walls, floors, and ceilings within the Lot as well as appliances, fixtures and improvements and betterments to Lot made by Owners.

The Association's property coverage does not cover Owners' personal property (including, but not limited to furniture, clothing and any other personal property).

B. **Liability Insurance.** Liability Insurance covers claims for bodily injury or death or property damage occurring upon or in the Common Area and the Maintenance Area. The Association's liability coverage does not cover other claims within the boundaries of a Lot.

2. **Owner's Insurance.** Each Owner is responsible for obtaining the insurance set forth in Article VIII, Section 8.4 of the Declaration, including property insurance for those portions of the Lot not covered by the Association's policy. Each Lot Owner is also responsible for obtaining insurance covering his or her personal property and coverage for liability arising within the Lot. The Association has no liability for the failure of any Lot Owner to maintain required insurance.

**If the Owner lives in the Lot,** the Owner should obtain an HO-6 policy. The Board of Directors has been advised that HO-6 policies generally include the following five basic coverages: dwelling coverage, personal property coverage, liability coverage, loss assessment and loss of use. Dwelling coverage should include all of the items specified in the Declaration as the Owner's responsibility. Personal property coverage should include all furnishings and clothing. Liability coverage includes anything that happens within the Lot. Loss assessment coverage may also pay for any special assessments levied by the Association to pay for deductibles allocated to the Association. The Board of Directors has been advised that dwelling coverage may also cover property losses below the Association's deductible that may be above the Owner's personal deductible.

**If the owner leases the Lot,** the Lot should be covered by a rental policy (landlord's policy). This policy should offer dwelling coverage, personal property coverage, liability coverage and loss of rents if the property must be vacated while being repaired/rebuilt. Owners should inquire as to whether loss assessment coverage is included or available for their landlord policy.

The Board of Directors recommends that each Owner consult with their insurance representative to ensure that the Owner has adequate insurance coverage to address his/her needs and ensure that gaps between the Association's and the Owner's policies are minimized.

3. Claims Procedure. The Board adopts the following procedures to control claims on the Association's policies and limit the adverse affect of excessive claims on the ability of the Association to obtain insurance at reasonable rates and limit the need to raise assessments to cover increased insurance premiums.

A. Claims on Behalf of the Association.

i. When the Board of Directors becomes aware of a potential claim, it shall determine whether to submit a claim by balancing the benefits conferred to the Association under the policy with the costs associated with the claim to the Association.

ii. If the Board determines that it is in the best interest of the Association to submit a claim under the Association's policies, the Board shall file the claim in accordance with the policies' procedures.

iii. If the Board determines that it is not in the Association's best interest to submit a claim under the Association's policies and if the claim would be covered under the Association's policies, the Association shall still be obligated to complete the repair of the damages as if a claim had been made. The Association or the Owner will remain responsible for the amount of the deductible as provided below, even if the Association performs the repair of the damages without submitting a claim.

B. Claims on Behalf of Owners.

i. If an Owner has a claim of damage to their Lot or personal injury on the Common Area or Maintenance Area and the Owner believes that the claim may be covered by the Association's insurance, the Owner must promptly advise the Association in writing regarding the subject matter of the claim within 48 hours from when the Owner becomes aware of the claim. The report should include the following:

- a. the Owner's home address and phone number;
- b. the time, place and circumstances of the event;
- c. identification of damaged property; and
- d. in the event of a liability claim, the names and addresses of the injured and of available witnesses.

The Board will then evaluate the claim as provided in Paragraph 3A above and notify the Owner of its action.

ii. Pursuant to Colorado law, an Owner may only file a claim against the policy of the Association if the following conditions are met:

- a. The Owner has contacted the Board of Directors or the Association's managing agent in writing setting forth the subject matter of the claim in accordance with the procedures set forth in Paragraph 3(B)(i) above;
- b. The Owner has given the Association at least 15 days to respond in writing, and, if so requested, has given the Association's agent a reasonable opportunity to inspect the damage; and
- c. The subject matter of the claim falls within the Association's insurance responsibilities.

Failure to comply with this procedure may result in a fine against the Owner in the amount of \$100.00, after notice and an opportunity for hearing.

4. **Adjustment.** The Board of Directors will adjust all claims made on the Association's insurance policy.

5. **Deductibles.** Whether a claim is submitted or not, the payment of the deductible for claims covered under the Association's policies shall be as follows:

A. The deductible shall be paid by the Association if the Association would normally be responsible for the maintenance of the damaged property.

B. The deductible on a claim covered by the Association insurance shall be paid by the Owner if the Owner would normally be responsible for the maintenance of the damaged property. The deductible shall become an assessment and lien against the Lot. If the damage is less than the deductible on the Association's policy, the Owner shall be responsible for repair/replacement of the damaged property.

C. The deductible shall be allocated equitably to the appropriate parties if different parties would normally be responsible for the maintenance of the damaged property (i.e. two or more Owners or the Association and one or more Owners). Any portion of the deductible allocated to an Owner shall become an assessment and lien against that Owner's Lot.

D. Notwithstanding the foregoing, if, after notice and an opportunity for a hearing, the Association determines that damage results from the willful, negligent or wrongful act of an Owner, his family, guests or other residents of the Lot, the deductible shall be paid by that Owner and shall become an assessment and lien against the Lot. If the damage results from the Association's negligence, the Association shall pay the deductible.

IN WITNESS WHEREOF, the undersigned certify that this Insurance Claims and Deductibles Policy and Procedure was adopted by resolution of the Board of Directors of the Association on this 4 day of October, 2017.

THE ENCLAVE AT BROADMOOR GLEN HOMEOWNERS ASSOCIATION, INC., a Colorado nonprofit corporation,

By: Nancy A. Schwanz  
Its: President

ATTEST:  
By: Chris Hamilton