MAMICH AGENCY
1495 Pine Grove Road, Suite 201A
Steamboat Springs, CO 80487
970-879-1330
commercial@mamichagency.com
www.mamichagency.com

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Unit owners of Out Run Condominium Homeowners Association:

This letter is being sent to unit owners to assist in clarifying the coverages provided by the Out Run Condominium Homeowners Association insurance policy (*see disclaimer) which continues to be insured with Farmers Insurance effective May 5th,2025 through May 5th, 2026. Although there has been no change in coverage pertaining to the units, there is consistently the need to help clarify the extent of the association coverage and what insurance the unit owners are to purchase personally.

In the current policy period, Out Run Condominium Homeowners Association policy is written in a format known as **"bare walls"** coverage**. The permanently installed building elements and improvements you have made to your unit are NOT insured by the association policy.**

To unofficially clarify the **"bare walls"** coverage format in layman's terms, it can be said that the unit owner needs to insure the permanently attached building assets and improvements from the unfinished surface of the exterior drywall of your unit inwards on your own personal insurance policy. This includes but is not limited to interior non-bearing walls, doors, finished floor coverings, cabinets, fixtures and built-in appliances including unit-owner upgrades.

As a unit owner, you are strongly advised to properly insure what is not covered on the association's master policy by purchasing your own Condominium Unit Owners Policy (AKA HO6 policy). Many unit owners have this coverage at adequate limits already. If you do not already have a Condominium Unit Owners insurance policy, it is strongly suggested that you purchase one. To insure the building coverage, you will need to insure *building property* or *building and alterations* coverage within the perimeter walls of your unit at full replacement value.

In addition to the general building deductible, Farmers is also now requiring a 0.01 wind & hail deductible, which may require an adjustment on your unit owners policy as well.

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* (if you are a landlord); *loss assessment;* and *personal liability*. We also recommend adding coverage for Backup of Sewers & Drains to your unit owner policy if you have not previously done so.

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A sample of coverages that should be on your policy follows:

Building property (including alterations)	Full Replacement Cost limits
Personal property	Full Replacement Cost limits
Loss of use (loss of rents)	Annual Rental Income
Loss Assessment	$5,598. (not less than)

*** Make sure you have adequate coverage for your portion of the 0.01 of limit wind and hail deductible and that full limit is accessible. Some carriers will limit claim payments on an assessed hail deductible to a fixed amount. It is CRITICAL to ensure that your Unit Owner Policy (HO6) language does not include any such limitation provision.

Personal Liability	$1,000,000 (not less than)

Under certain conditions and subject to non-discriminatory standards described within Colorado Statutes, it is entirely possible for a unit owner to be assessed the condominium association policy deductible. 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 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 agency and have them modify your coverage to limits not less than those shown above. If you do not have a policy, our agency will be more than happy to assist in placing your coverage. Please contact Mamich Agency at 970-879-1330. Also see **mamichagency.com** for more details.

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 quite possibly could be reasons for more or different coverages than those shown above.

Failure to heed this advice could be costly to you. Please contact your agent immediately.

Commercial Team
Mamich Agency

*****Disclaimer:*** *This document is meant to be a general description of coverages for use as 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* ***607202396*** *issued by Truck Insurance Exch. 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.*