
From: Mike Wallace <director.mike@rooseveltridgehoa.com>
Sent: Thursday, January 03, 2019 8:26 AM
To: carolus@planetchunk.com
Subject: Re: Duty to Maintain Casualty Insurance on Common Area

Charlie,

Thanks for the information. Yes we were aware of the additional coverage in the documents that was never in place during the Declarant period.

Our approach is to take baby steps and start backstopping the key and critical lapses first and then address the finer points of everything. This is the case for insurance as well.

Once I am able to secure some GL coverage quotes, I will ask for a premium quote to address some of these other requirements. Then the HOA can determine whether it is best to modify the Declaration language or pay the insurance premiums. Since the entry gate and related equipment is the only HOA owned asset, the total replacement cost might be such that the HOA can accept the risk of fire damage/destroy rather than the policy cost for fire/vandalism/etc coverage.

But again, General Liability is our next order of business.

By the way, Frank (State Farm) called yesterday and he did not receive the attachment from Leavitt. I suspect their firewall would not allow. So I sent it to his personal email and he has it now and will get their underwriters working on a quote.

Thanks again for the introduction.

Regards,
Mike

Sent from my iPhone

On Jan 2, 2019, at 8:48 PM, Charles Nolan <carolus@planetchunk.com> wrote:

Hi Mike:
Regarding insurance, just saw this:

“Insurance. The duty to contract and pay premiums for fire and casualty and liability and other insurance in accordance with the provisions of the Declaration.” (Bylaws § 5.2(b))

“Duty to Maintain Casualty Insurance on Common Area. The Association shall obtain and keep in full force and effect at all times, to the extent reasonably obtainable at a reasonable cost, casualty, fire and extended coverage insurance with respect to all insurable improvements to real property owned by the Association, if any, including coverage for vandalism and malicious mischief and, if available and if deemed appropriate, coverage for flood, earthquake and war risk. Casualty, fire and extended coverage insurance with respect to insurable

property shall, to the extent reasonably obtainable, be for the full insurable value based on current replacement cost. Insurance premiums for such insurance and any other insurance premiums paid by the Association shall be an expense to be included in the Common Assessments payable by Members. Such insurance shall be written in the name of, and the proceeds thereof shall be payable to the Association as the trustee and attorney-in-fact for the Members, and in the event of damage or destruction to any insured improvements, the proceeds of such insurance shall be applied by the Association, to the extent necessary, to cause the damaged or destroyed improvements to be restored or replaced to its original condition.” (Declaration § 7.6)

This is different than liability insurance.

Not sure if you obtained this when you got the liability policy.

Just a heads up.

Charlie