

## **INSURANCE CLAIM, ADJUSTMENT, AND DEDUCTIBLE PROCEDURES**

The following Procedures were adopted by resolution of the Board of Directors of Castle Highlands Association, Inc. (the "Association") pursuant to Colorado law at a regular meeting of the Board.

These Insurance Policies revoke and replace the Owner Initiated Insurance Claim Procedures previously adopted by the Association.

### **RECITALS:**

- A. Article VII of the Master Declaration Creating Covenants, Conditions, Restrictions, and Easements for Castle Highlands ( "Declaration") requires that the Association maintain certain policies of insurance.
- B. Section 1(a) of Article VII of the Declaration provides the Association shall obtain and maintain Fire Insurance with extended coverage and all risk endorsements. The casualty insurance shall insure the Common Area and any property owned by the Association.
- C. Section 4 of the Declaration states that Unit Owners may carry other insurance for their benefit and at their expense.
- D. Colorado Revised Statute ("C.R.S.") 38-33.3-313(6) allows an association to adopt and establish written nondiscriminatory policies and procedures relating to the submittal of claims, responsibility for deductibles, and other matters of claim adjustment. To the extent the Association settles claims for damages to real property, it shall have the authority to assess all deductibles paid by the Association to negligent Unit Owners causing such loss.
- E. Pursuant to Colorado Revised Statute ("C.R.S.") 10-4-110.8(5), an Owner must meet certain conditions before filing a claim against the Association's insurance policy.
- F. For the benefit and protection of the Association and its Members, the Board deems it desirable to establish and operate under the following Procedures to: 1) allow the Association to assess the applicable deductible to the Unit Owners responsible for the injury or damage, 2) assess and manage its risk, 3) ensure that only valid claims are submitted, and 4) verify that each claim is accompanied by all necessary information.

### **RESOLVED:**

1. The Association is not required to nor does the Association maintain property insurance (casualty insurance) to cover damage or loss to any improvements, fixtures, decorating, furniture, furnishings, appliances, or other personal property supplied,

installed, or stored by the Owners within the Unit. The Association strongly recommends that Owners obtain and maintain casualty insurance to cover those items that the Association does not cover.

2. To the extent the Association settles a claim for damage to real property, the Board of Directors, after providing the Unit Owner with notice and an opportunity to be heard, may assess the applicable deductible to that Unit Owner provided there is evidence to support that the damage was attributable to the actions or omissions of that Unit Owner or Related Users.

- a. The notice and opportunity to be heard as required above shall be consistent with the notice and hearing procedures outlined in the Association's Enforcement Policy.
- b. Any deductible assessed to a Unit Owner shall be collectable in the same manner as the common expense assessments.

3. The Procedures below shall apply to all Owner initiated insurance claims against the insurance policy maintained by the Association, and must be followed by the Owner before a claim can be filed.

a. The Unit Owner must provide written notice to the Association, in care of the Association's Managing Agent, or the Association's Registered Agent, as reflected in the records of the Colorado Secretary of State, within 10 days of any incident where the Owner wishes to file a claim against the Association's insurance policy.

b. The notice must describe in reasonable detail the incident and the initial information regarding the scope and extent of any damage, as well as the cause of any damage, and shall also include the following:

1. Owner's address, phone number, and the address of the Unit where the incident occurred if different from the Owner's address;
2. The time, location and events surrounding the incident, in reasonable detail;
3. The names and addresses of the injured, if applicable; and
4. The names and addresses of any and all witnesses.

c. The Association will respond in writing to the Unit Owner within fifteen (15) days, of the date notice is received by the Association.

d. The Association's response may be contingent on the Association's insurance agent having a reasonable opportunity to inspect the damage and the subject matter of the claim. Any such inspection shall be completed within 30 days of the Association's written response.

e. Should the Board determine that the subject matter of the claim falls within the Association's insurance responsibility, the Board shall submit the claim to the

Association's insurance carrier on behalf of the Owner, in compliance with the requirements of such insurance policy.

f. If the Association's insurance agent, after the inspection of the damage and the probable cause of the damage determines that the subject matter of the claim falls outside the Association's insurance responsibilities, no claim may be filed against the Association's policy.

g. The Unit Owner or the Board may at any time request clarification of coverage from the Association's insurance carrier. The Association's insurance carrier, when determining premiums to be charged to the Association, shall not take into account any request by a Unit Owner or the Board for a clarification of coverage.

In the event a Court of competent jurisdiction finds a provision of this collection policy void or otherwise unenforceable, the other provisions shall remain in full effect.

Adopted this 26 day of September, 2013 by the Board of Directors of Castle Highlands Homeowners Association, Inc.

By \_\_\_\_\_  
Tom Rupert

Its President