



Town and Country Village Homeowners Association, Inc. Frequently Asked Questions Regarding HO-6 Policies and Loss Assessment

What is an HO-6 policy?

An HO-6 policy is the type of homeowners insurance policy an owner of a condominium, townhome, or patio home should carry when the Association is responsible for insuring the building(s), and the owner resides in the home (not rented out full time).

Will my HO-6 policy pay for any assessment?

No, an assessment for a capital improvement (ex. resurfacing the pool deck or upgrading the community's entry signs/lighting) would not be covered by your HO-6 policy. An assessment due to an insurable loss may be covered by your HO-6 policy. The event that caused the damage/loss would have to be a covered cause of loss under your HO-6 policy (ex. hail storm).

What deductibles might I be responsible for as an owner?

The deductibles on the current 6/28/2023-6/28/2024 master property policy are as follows:

- \$10,000 for all covered losses other than those caused by wind or hail
- 5% of the total insurable value at the time of loss for losses due to wind or hail
 - This equates to \$4,418,319, or **\$8,819 per unit**. Note: this amount varies by owner due to the allocated assessment share and is only provided as a general guideline within this document.

We recommend you share this information with your HO-6 carrier to allow them to adequately insure you for this possibility.

Why is the Wind or Hail Deductible so high?

After many years of catastrophic losses in Colorado, carriers began applying a separate wind or hail deductible to Association policies to have the Association self-insure for wind or hail losses. These started out as a higher flat dollar amount, but quickly escalated due to our severe weather to a % of the replacement cost of each damaged building (not the replacement cost of the damaged roof).

Will my HO-6 policy always pay the full amount of Loss Assessment printed on the Declarations page of my policy?

No, unfortunately, many HO-6 policies have limitations on Loss Assessment payments if the reason for your claim is to pay your portion of the Association's master policy deductible (as assessed). You will need to ask your agent about any limitations on the Loss Assessment rider/endorsement on your policy.

Which policy pays (Association's or my HO-6) if there is a loss inside my unit?

The Association's master policy is primary for your unit, excluding finished surfaces of walls, floors, and ceilings, and all portions of the Residence within the perimeter and partition walls (bare walls policy per the association's governing documents). Your HO-6 policy is secondary and will contribute to the claim for any improvements to the unit from original construction and if there are not adequate limits on the Association's policy to pay the claim in full (less the required deductible).

Which policy pays (Association's or my HO-6) if there is a loss inside my unit caused by my neighbor?

The Association's master policy is primary for your unit, excluding finished surfaces of walls, floors, and ceilings, and all portions of the Residence within the perimeter and partition walls (bare walls policy per the association's governing documents). Your HO-6 policy is secondary and will contribute to the claim for any improvements to the unit from original construction and if there are not adequate limits on the Association's policy to pay the claim in full (less the required deductible). In some cases, your HO-6 carrier may subrogate against the other owner's policy for third-party property damage under the liability portion of their HO-6 policy.