

LUNDGREN INSURANCE AGENCY

Office – 602-218-6022

Fax – 800-878-3151

matt@lundgreninsuranceagency.com

www.lundgreninsuranceagency.com

March 22, 2023

TO: Unit Owner

FROM: Matt Lundgren - Agent

RE: Tesoro at Grayhawk Condominium Association – Deductible Change

VERY IMPORTANT

Effective 4/1/2023, the association master insurance policy will have a \$50,000 deductible per occurrence for a loss due to a covered peril. Any property damage below the \$50,000 deductible will be the unit owners' responsibility to repair.

You should contact your personal insurance provider and let them know of the change to the master association deductible. They should be able to provide coverage for damage due to a covered peril that is below the association's deductible. Also, the Tesoro master policy does not provide coverage for the betterments and improvements that have been made to your unit. The unit owner is responsible for insuring the betterments and improvements to their unit.

If the association has to file a claim on the master policy, the unit owner(s) who either cause, or sustain the damage may be assessed the association deductible of \$50,000. It's very important that your personal agent understand this and can provide coverage for you.

Regards,



Matt Lundgren – Agency Owner

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March 22, 2023

TO: Unit Owner

FROM: Matt Lundgren - Agent

RE: Tesoro at Grayhawk Condominium Association – Insurance Summary

Your Board of Directors has purchased a new master insurance policy covering your Association. The Master Association's Policy covers both the exterior of the buildings and the interior of the units including, but not limited to, built-in kitchen and bathroom cabinets, built-in appliances & fixtures as well as interior walls, ceilings, floor coverings, wall coverings and ceiling coverings. The policy does not include betterments and improvements to the interior of the units. The policy has a \$50,000 deductible per occurrence. Any damage below the deductible is the responsibility of the unit owner. The policy includes Liability coverage for all common area & Professional Liability coverage for the Directors and Officers.

Some of the excluded perils are:

- No coverage for flood
- No coverage for normal wear and tear
- No coverage for damage caused by mold or fungi
- No coverage for water damage caused by a leak in a pipe or appliance that occurs over a period of longer than 14 days
- No coverage for construction defects or improper plan design

The Association's policy does NOT cover your personal property or your personal liability. Show this letter to your personal agent for advice. Your agent should be able to cover the association's deductible on your personal policy in the event you are assessed, and you should also carry enough building coverage in the event the cost to repair the damage to your unit is below the association's deductible. You should also carry enough building coverage to cover the cost of the improvements to your unit.

Lastly, should you receive a request for proof of insurance from your lender, please see attached on how you may provide those to our agency.

Regards,



Matt Lundgren – Agency Owner

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Dear Tesoro at Grayhawk Unit Owner:

Below is important information about your association's Master Insurance Policy. Its purpose is to inform you of the coverage provided by the master association policy as well as to assist you in determining what coverage you should carry on your personal condominium, or HO6 insurance policy.

- **Building Coverage** – The association's master policy provides coverage for the exterior of the buildings and the interior of the units minus any betterments and improvements made to the interior of the unit over builder's grade. The policy also includes a guaranteed replacement cost endorsement. The association's policy has a \$50,000 deductible per occurrence.
- **General Liability** – The association's master policy provides \$1,000,000 in coverage. The coverage pays all sums the association is legally obligated to pay because of bodily injury or property damage.
- **Professional Liability (aka Directors and Officers)** – The association's D&O policy provides \$1,000,000 in coverage. Directors and officers (D&O) liability insurance is coverage intended to protect individuals from personal losses if they are sued because of serving as a director or an officer of the association. It can also cover the legal fees and other costs the organization may incur because of such a suit.
- **Crime (aka Fidelity)** – This coverage in the amount of \$1,800,000 is in place to protect the association from theft of the association funds.
- **General Liability Umbrella** – This policy extends coverage over and above the amount of coverage provided by the general liability policy and the directors and officers policy. The association has a \$5,000,000 umbrella policy.

The Association's policies do NOT cover the upgrades (betterments or improvements) made to your unit, your personal property or your personal liability.

Please consult with your personal agent for advice. **You should also carry coverage in the event you are assessed the associations deductible should you suffer a loss that is covered by the association's policy.**

Thank you,

Matt Lundgren

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Bus. (602) 218-6022

Fax. (800) 878-3151

matt@lundgreninsuranceagency.com

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**** This information pertains to the coverage provided on your personal insurance policy**

Explanation of Coverages for your personal unit owners (HO6) policy

Building Coverage:

- Building coverage provides coverage for the interior buildout of your unit. This includes things like built in cabinets, counter tops, sinks, toilets, flooring, drywall, paint, wallpaper, fixtures, and built in appliances. Anything permanently attached to your unit can be considered “building” property. It also provides coverage for betterments and improvements made to your unit in the event your association does not provide this coverage.

Personal Property Coverage:

- Personal Property coverage pays for the replacement of your personal property within your unit. This includes items such as furniture, clothing, dishware, electronics, computers, refrigerators, washing machines, dryers, and free standing stoves.

Personal Liability Coverage:

- Personal liability occurs in the event an accident, in or out of your home, that results in bodily injury or property damage for which you are potentially held legally responsible.

Loss Assessment Coverage:

- Loss Assessment Coverage provides coverage in the event you are assessed the association deductible due to a covered peril. It also provides coverage in the event you are assessed your percentage of ownership due to a loss that exceeds the Master Association Insurance policy coverage amounts.

Regards,



Matt Lundgren
Lundgren Insurance Agency

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UNIT OWNER CERTIFICATE OF INSURANCE INFORMATION

At Lundgren Insurance Agency, we process all certificate of insurance requests in house. If you are contacted by your lender and are asked to provide a certificate of insurance, please do one of the following:

- **Email us the letter you received from your lender to cs@lundgreninsuranceagency.com**
- **Fax us the letter you received to 800-878-3151**
- **Text me the letter you received to 480-227-1424**
- **You can also use the following link:
<https://www.lundgreninsuranceagency.com/eoi-request-form/>**