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Open Letter to Wyngate Residents Regarding Insurance Coverage:

Dear Wyngate Residents,

It is essential for Wyngate residents to understand how the HOA's commercial insurance policy correlates with the Homeowner's Insurance Policy (HO6) to work together for the best protection of the Homeowner.

In Utah, the State Legislature enacted 57-8-43 and 47-8a-405 into law to simplify insurance claims for Condominium Associations and the Owners. The results have been a much faster way to process claims when a covered peril occurs.

The HOA has a master insurance policy that covers any damage to a single unit or multiple units over \$10,000. Unit owners should carry insurance to cover the first 10,000. The Homeowners policy is called an HO6 policy and should be for at least \$10,000 (we recommend you get \$25,000 since the HO6 policies will cover more than the HOA's commercial policy). As you contact your insurance company, they can answer further questions and make recommendations to you.

Let take an example of a fire in your neighbor's unit that causes your unit to have smoke damage. The cost to repair both properties is \$50,000. The two homeowner's insurance policies will cover the initial \$10,000. Each homeowner would pay their deductible amount, and the homeowner's insurance would pay the balance of the \$10,000. Homeowners, not the HOA, choose the deductible amounts for their policies. You might want to consider how much it would cost to have a \$500 deductible over a \$1,000 deductible. The damages above the \$10,000 deductible would be paid by the HOA's insurance company.

The board wants to disclose to all residents that the HOA deductible is \$10,000. The HOA insurance policy does not cover earthquakes and does not have flood coverage. Homeowners wishing to have that coverage need to do so through their insurance policy. We can give you a reference for earthquake coverage on individual units if you are interested.

Please feel free to contact me directly on my cell at 801.698,0015 or by e-mail at steve@welchrandall.com to clarify or ask any further questions on insurance. We want each resident to understand how insurance works in the Wyngate HOA.