



**AMERICAN INSURANCE & INVESTMENT CORP.**

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December 23, 2019

Silver King Condos  
1485 Empire Ave  
Park City UT 84060

**Notice: Deductible Change for HOA Insurance**

Dear Unit Owner,

This letter is in regards to the Utah law affecting insurance coverage for Condominium Homeowners Associations and you as an individual unit owner. **Should damage occur to your unit, you are personally responsible to pay for any loss up to and/or including the deductible amount on the Master Association's policy. The deductible amount on the Association's policy will be increased from \$5,000 to \$10,000 effective 2/1/2020.**

Unit owners need to be aware of the following:

1. The Property insurance provided by the association provides coverage for any item permanently attached or installed into the individual units including interior fixtures, floor and wall coverings, heating and plumbing fixtures, windows, cabinets, and appliances.

**Each individual unit owner will need to provide Silver King Condos with an estimate of the replacement value of the improvements in their unit so that these improvements are properly insured by the association's policy to 100% of their replacement cost value.**

2. For a covered loss, the unit owner's insurance policy will be primary for the portion of the loss attributable to the deductible on the association's policy. If more than one unit is involved in a loss, each unit owner will be responsible for their pro-rata share.

**Each unit owner may consider purchasing a Condominium Owner's policy.** This will protect them from having to pay the \$10,000 deductible out of pocket. These policies are inexpensive and they provide coverage for the personal property and contents of each condominium. They can also be written so that they provide coverage for the interior improvements to the unit. Our office would be happy to provide proposals to any of the individual unit owners who would like to consider this inexpensive coverage.

3. Claims underneath the \$10,000 deductible on the association's policy will not be filed under the association's policy and will be the responsibility of the individual unit owner. Cost of cleanup and repair of any loss would be paid by the unit owner or from their Condominium Owners insurance policy.

Claims over the \$10,000 deductible will be submitted under the association's policy; however, the unit owner (or their Condominium Owners policy) will be responsible for payment of the \$10,000 deductible.

Finally, in the event of a loss, Silver King Condos will have the responsibility of adjusting the loss with the claims representative of the insurance company. Insurance payments received from

the insurance company are to be held in trust by Silver King Condos for both the owners and the association.

4. If the unit owner has no insurance for a covered loss, they will be held personally responsible for the loss to the amount of the deductible. If an owner does not pay their share of the loss or deductible within 30 days after substantial completion of the restoration, the association may levy an assessment against the owner and place a lien on the unit if necessary.

I would be happy to discuss your insurance needs based upon Utah law in greater detail with you including loss/claim prevention techniques. Please let me know how I can be of further assistance.

Mike D. Greene  
Account Executive  
American Insurance & Investment Corp.