SentryWest
INSURANCE | EMPLOYEE BENEFITS | FINANCIAL SERVICES
3860 South 2300 East
PO Box 9289
Salt Lake City, Utah 84109

3/23/2026

Notice regarding Insurance for:

Park Avenue Condominiums (Park City)

Dear Unit Owner,

The purpose of this document is to:

1. Inform you regarding Utah law affecting insurance coverage for Condominium Homeowners Associations as well as you as an Individual Unit Owner.

2. **Notify you that 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 Associations policy. The current deductible amount on the Association's policy is $50,000 PER UNIT.**

3. Provide you with information that will assist you in securing personal insurance. Doing so can lessen the financial impact you will face for damage to your unit [See Exhibit 1].

4. Address basic coverage and exclusion provisions common in most property insurance policies.

5. Address loss/claim prevention techniques.

6. Provide information to assist you in ordering evidence of insurance for personal or mortgage company use and the handling of insurance claims.

1. Utah Law - Condominium and Community Association Revisions (SB167 - Insurance Sections)

1.1. Applies to all Master Association and unit owner policies. The law supersedes anything to the contrary included in the HOA CC&Rs.
1.2. The Association's Master policy includes coverage for: "any fixtures, improvements, or betterments installed by a unit owner, floor coverings, cabinets, heating and plumbing fixtures, paint, wall coverings, windows, and any item permanently attached to a unit."
1.3. For a covered cause of loss the Association's policy of property insurance shall provide **primary coverage, the unit owner's insurance policy shall be primary for the portion of the loss attributable to the deductible on the Association's policy.**
1.4. If two or more owners suffer a loss in a single event they are each responsible for payment of a portion of the Association's deductible based on the percentage of the loss they each suffered.

1.5. If an owner does not pay his/her share of the loss within 30 days after substantial completion, the Association may levy an assessment against the owner and place a lien on the unit if necessary (applies to loss less than HOA Master policy deductible).

1.6. If the unit owner has no insurance for a covered cause of loss, he/she is personally responsible for the loss to the amount of the deductible.

2. As of 5/13/2024 Park Avenue Condominiums (Park City) has a property deductible of $50,000 PER UNIT for each occurrence. Payment of the deductible becomes your responsibility when a covered cause of loss affecting your unit occurs. See Exhibit 1.

3. Personal Insurance:

3.1 Unit Owner should maintain personal insurance coverage. We recommend unit owners do a comprehensive review of your personal insurance with your own licensed insurance advisor. **Exhibit 1** at the end of this document provides a check list of items that should be reviewed at that time.

4. Basic coverage and exclusion provisions in the Association's Master insurance policy:

4.1 The Association's policy includes "special form" property coverage including perils such as fire, lightning, windstorm, hail, explosion, riot, aircraft and vehicle damage, smoke, vandalism, falling objects, weight of ice and snow, collapse, sudden and accidental discharge of water or overflow from plumbing or appliances, and frozen pipes inside a unit.

4.2 Common **exclusions**: Many insurance companies will not cover water damage resulting from a frozen pipe if adequate heating is not maintained in the unit. Therefore it is imperative that heat be maintained or that pipes are drained when a unit is unoccupied for an extended period of time.

4.2.1 No coverage is provided for wear and tear, deterioration, flood ie: outside surface water penetrating the building envelope. This can include items such as a sprinkling system or other sources of water located outside the physical building structure, damage by insects or animals, mold/fungus (some insurance policies will provide minimal property coverage for mold/fungus), settling or cracking of foundations, walls or pipes. **There is no coverage for damage caused by repeated leaking or seeping from appliances or plumbing systems. This includes leaking from around shower, bathtub, toilet or sink.** The insurance contract contains full details on coverage, limitations and exclusions.

5. Loss Prevention:

To reduce the likelihood of damage to your unit and possible damage to a neighbors unit the following are a few "loss prevention" measures that should be followed:

When your unit will be **unoccupied** for more than a few days:

- Turn off the water to the inside of your home
- Leave heat on in winter to avoid freezing or air-conditioning on in summer to avoid melting, warping, etc.

Daily considerations:

- ✓ Washing machine hose should be turned off after each use.
- ✓ Replace rubber washing machine hoses with no-burst woven metal hoses.
- ✓ Have clothes dryer vents checked and cleaned on an annual basis. Always remove lint from filter after each use.
- ✓ Keep smoke alarms in good working condition.
- ✓ Consult with a professional when unable to remedy unusual persistent odor, or when events occur that seem to suggest appliances or other home equipment are near the end of their life span.

- ✓ Have a trusted neighbor or family member check your unit periodically while you are away.
- ✓ Replace water heaters on a regular basis every 7 – 10 years.

6. Information to assist you ordering evidence of insurance and claim protocol:

6.1 Certificates of insurance may be requested by calling (801) 272-8468. Our receptionists handle all such requests, or you can email or send a fax: 801.277.3511, eoi@sentrywest.com.

6.2 **Claims** for a covered cause of loss, within the following amounts, should be handled as follows:

6.2.1 **$0 to $50,00 is the unit owner's sole responsibility.** Cost of cleanup and repair would be paid out of pocket or from personal insurance coverage. Claims under **$50,000** will not be filed against the Association policy unless circumstance dictates otherwise.

6.2.2 Claims over **$50,000** should be submitted to the Association's policy. Unit owner is responsible for the Association deductible.

5. When a loss Occurs:

1. Take action to prevent further damage to your unit. For example, it may be necessary to call an emergency restoration company to start water extraction if water damage has occurred inside your unit. The next step would be to contact one of the following:
2. Contact your own insurance company and report the damage to your unit.
3. Contact a Property Manager or Board Member regarding the damage.
4. If individuals above are not available contact a member of our staff 801-272-8468. As the representative for the association we will only submit claims to the insurance company after approval from the Board or the Property Manager has been received. Only in rare situations will we do otherwise.

A loss that involves your personal property, loss of use, personal liability, loss assessment etc. should be submitted to your personal insurance carrier. Neither the Association nor its insurance company are responsible for any of these claims.

Payment for claims made on the Association's Insurance policy will be payable to the Association not to an individual unit owner.

Please note that the coverage and procedures outlined in this letter apply to your current insurance program, provided by SentryWest Insurance. If the association changes agents we recommended that these procedures be reevaluated.

We **strongly** suggest reviewing these documents with your personal insurance agent to facilitate securing the appropriate insurance coverage for your specific situation.

When corresponding with us, please reference **Park Avenue Condominiums (Park City)** as the community you live in.

Personal Regards,



Paul Borup
President

Exhibit 1. – Personal Insurance Check List

	1.	**Policy type - HO-6 form** (commonly referred to as a Condominium Owners Policy). Not an HO-3 homeowner policy or a HO-4 renters policy.
	2.	**Coverage A (Dwelling coverage) should be a minimum of $50,000.** Consult your personal insurance advisor as to how to properly insure the HOA deductible expense.
	3.	**Loss Assessment -** A minimum of $10,000 should be secured. Consult your personal insurance advisor
	4.	**Personal Property** Coverage - Consult your personal insurance advisor.
	5.	**Personal Liability** - Consult your personal insurance advisor. You may want to inquire regarding umbrella liability coverage.
	6.	**Loss of Use Coverage & Additional Living Expenses** (In the event your unit is uninhabitable due to a covered loss).
	7.	**Earthquake** coverage for your contents, loss assessment, loss of use, etc. Consult your personal insurance advisor.
	8.	Any other riders such as **Valuable Articles** ie: jewelry, art, collectibles etc. Consult your personal insurance advisor.
	9.	**Is your unit a rental? -** If so, the rental exposure should be disclosed to the insurance company and appropriate insurance purchased. Note that form numbers may change.
	10.	**Review sub-limits** on your policy for possible coverage gaps.