

WOODBROOK TOWNHOUSE OWNERS' ASSOCIATION
Owners' Insurance Meeting
July 10, 2018 7:PM
Pilgrim Congregational Church- Boyd Room

Woodbrook Townhouses has 71 units, 178,512 square feet, and an insurable value of \$25,806,700.

Historically the Association has maintained a studs-out policy (the Association insures the individual unit from the exterior into the studs in the wall). In 2017 a change to an all-in policy occurred (the Association covers the individual unit's exterior and interior as they were built). For the following 5 reasons the Board of Directors sees no reasonable alternative but to return to a studs-out policy to preserve Woodbrook's insurability.

1. **RISK:** With an all-in policy the Association runs the risk of major increases to our policy due to claims like the two major claims in 2017. Such an increase is seen in your last insurance statement.
2. **RISK:** With an all-in policy there is a risk insurance companies will decline to insure the Association as a result of major claims like those of 2017.
3. **BUDGET INCREASE:** With an all-in policy the Association is responsible for interior damage caused by appliances such as washing machines, clothes dryers, dishwashers, and icemakers. Continuing with an all-in policy may require allowing a contractor to enter each unit in order to certify the integrity of appliances, furnaces, and water heaters. This is a costly process.
4. **BUDGET INCREASE:** There is no provision in Woodbrook job descriptions for management of insurance claims. Continuing with an all-in policy will require the Board to retain the services of a contractor to handle future claims.
5. **WITH AN ALL-IN POLICY ALL UNIT OWNERS PAY FOR THE NEGLIGENCE OF ONE UNIT OWNER:** Woodbrook has had several owners lock up their unit and walk away from the responsibility of maintaining their unit. In one such unit a flood occurred from a broken pipe and raccoons gained entrance to the unit through the chimney and caused damage to the interior.

Based on research conducted by the Board of Directors and in order to protect the insurability of Woodbrook, the Board will be asking the membership to consider returning to a studs-out policy to reduce the liability burden for the Association and its members. Such a move to a studs-out policy is the recommendation of the Board.

For additional information you can read the minutes of the March 20, 2018 owners' insurance meeting online at: woodbrookbozeman.com, go to News-Meeting Minutes. If you have a question about insurance please email woodbrookowners@gmail.com.