

Cathedral City HOA Council

Recap of Meeting August 15, 2013

HOA Members Represented

Aldea – the Vistas	Cathedral Canyon #17
Candelwood Villas II	Cathedral Canyon #18
Cathedral Canyon #1	Mira Vista
Cathedral Canyon #5	Montage at Mission Hill
Cathedral Canyon #12	

Legal Counsel: Jennifer James, Attorney at Law – Epsten, Grinnell & Howell

Speaker Present

Martyn Weinberg, Insurance Broker – Insurance Services of the Desert

Welcome: Al Hallinan, Chair

Treasurer's Report – To be distributed

Guest Speaker – Martyn Weinberg, Insurance Broker – Insurance Services of the Desert “Earthquake Insurance – So You Have It?”

Al Hallinan introduced Martyn. He introduced himself as a licensed Broker/Agent in California. He said he primarily deals in business and health insurance. He offered that the syllabus for his presentation may be reproduced and distributed on the condition that it is noted that he is not an insurance consultant and was not compensated for today's presentation to the Council.

Martyn began by pointing out that most people are required to have:

- Car insurance – by law
- Home insurance – by the lender
- Business liability – by business partners
- Workers Compensation insurance – by law

Insurance for everything except:

- Health insurance – that is going to change in January
- And Earthquake insurance – just about the only discretionary type of insurance left to the individual

He then began following his syllabus (shown in [blue](#) below):

[What do your CC & R's stipulate?](#) – Make sure to read your governing documents for any required direction.

[If the association does not have Earthquake coverage for the units and the common area facilities \(Roads, Pools clubhouse etc.\) and the CC & R's are not up to date and do require EQ Insurance: You may have a legal problem.](#)

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If you do have EQ insurance but the coverage is only for a portion of the full insurable replacement value - You may also have a legal problem.

What do the CC & R's state with respect to the obligations to rebuild and the proportionate share of the cost of construction?

Does your insurance agency or company send an annual newsletter to all owners describing the current coverage and any possible coverage gaps?

Martyn provided an excerpt from the CC&Rs of his HOA as an illustration:

ARTICLE X INSURANCE

Sec. 1. Types of Insurance Coverage. The Association shall obtain insurance as noted below for the Common Area, and only as to those common area amenities for which the Association has maintenance responsibility, as specified in the Maintenance Matrices. All other areas of the Unit for which the Owner has sole maintenance responsibilities as contained on the Maintenance Matrices, such as interior wall coverings or floor coverings, will not be covered by the Association policy or policies, and will be specifically excluded therefrom and the individual Unit owner is responsible for insurance coverage for those items. The Association shall purchase, obtain and maintain, with the premiums therefor being paid out of Common Funds, the following types of insurance, if and to the extent such insurance, with the coverages described below, is available at a reasonable premium cost:

(a) *Fire and Casualty Insurance; Earthquake Coverage.* The Association shall obtain and maintain a master or blanket policy of fire and casualty insurance, which shall include, as available, earthquake coverage, whether as part of such master policy or separately, for the full insurable replacement value of all the Improvements within the Properties and on any Common Facilities for which the Association has maintenance responsibility as specified in the Maintenance Matrices. The insurance shall be kept in full force and effect at all times and the full replacement value of the insured property shall be redetermined on an annual basis. The form, content and term of the policy and its endorsements shall be satisfactory to all institutional First Mortgagees. If more than one institutional first mortgagee has a loan of record against a Condominium within the Properties, the policy and endorsements shall meet the maximum standards of said institutional First Mortgagees.

...the provisions of Section 1(a) that results from the existence of such other insurance will be chargeable to the Owner who acquired such other insurance, and the Owner will be liable to the Association to the extent of any diminution: An Owner can, and the Board encourages each Owner

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to, insure his or her personal property and all items for which the Owner has maintenance responsibilities pursuant to the Maintenance Matrices against loss; however, any such policy shall include a waiver of subrogation clause. In addition, any Improvements made by an Owner within his or her Condominium, including floor and window coverings, appliances, etc. shall be separately insured by the Owner. All such insurance that is individually carried must contain a waiver of subrogation rights by the carrier as to other Owners, the Association, and any institutional first-Mortgagee of such Condominium.

Sec. 5. Trustee. All insurance proceeds payable under Section 1 and subject to the rights of the Mortgagees under this Declaration shall be paid to a trustee to be held and expended for the benefit of the Owners, Mortgagees and others, as their respective interests shall appear. Said trustee shall be a commercial bank or other institution with trust powers within the County that agrees in writing to accept such trust. If repair or reconstruction is authorized pursuant to this Declaration, the Association and any duly appointed trustee shall have the duty to contract for such work as provided in this Declaration.

Sec. 6. Adjustment of Losses. The Board is appointed attorney-in-fact by each Owner to negotiate and agree on the value and extent of any loss under any policy carried pursuant to this Article. The Board is granted full right and authority to compromise and settle any claims or enforce any claim by legal action or otherwise and to execute releases in favor of any insured.

Sec. 7. Distribution to Mortgagees. Subject to the provisions of this Declaration, any Mortgagee has the option to apply insurance proceeds payable on account of a Condominium in reduction of the obligation secured by the Mortgage of such Mortgagee.

Sec. 8. Owner's Liability Insurance. An Owner may carry whatever personal liability and property damage liability insurance with respect to his or her Condominium that he or she desires and Owners should carry such insurance for all maintenance responsibilities of the Owner as defined in the Maintenance Matrix. However, any such policy shall include a waiver of subrogation clause acceptable by the Board and to any institutional First Mortgagee.

ARTICLE XI

DAMAGE OR DESTRUCTION

Sec. 1. Destruction; Proceeds Exceed 85% of the Reconstruction Costs. If there is a total or partial destruction of any unit or Common Facility Improvements within the Properties, and if the

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available proceeds of the insurance maintained pursuant to this Declaration are sufficient to cover not less than eighty-five percent (85) of the, costs of repair and reconstruction, the Improvements shall be promptly rebuilt unless, within 90 days from the date of destruction, eligible Members holding at least 75 percent of the total voting power determine that such repair and reconstruction shall not take place. If repair and reconstruction is to take place, the Board shall be required to execute, acknowledge and record in the office of the County Recorder, not later than 120 days from the date of such destruction, a certificate declaring the intention of the Members to rebuild.

Sec. 2. Destruction; Proceeds Less than 85% of Reconstruction Costs. If the proceeds of insurance are less than eighty-five percent (85) of the cost of repair and reconstruction, repair and reconstruction of the damaged or destroyed Improvements may nevertheless take place, if, within 90 days from the date of destruction, eligible Members then holding at least 51 percent of the total voting power determine that such repair and reconstruction shall take place.

If a meeting or written ballot is called to vote on the matter, the Association shall solicit and obtain bids from at least two (2) reputable contractors to repair and reconstruct the Improvements in accordance with the original plans and shall present this information to the Owners at the meeting. If repair and reconstruction are to take place, the Association shall execute, acknowledge, and record in the office of the County Recorder of the County not later than 120 days from the date of destruction a certificate declaring the intention of the Owners to rebuild.

Sec. 3. Rebuilding Procedures. If the eligible Members determine to rebuild, pursuant to Sections 1 or 2 of this Article, the Owners of all Units shall be obligated to contribute their proportionate share of the cost of reconstruction or restoration over and above the available insurance proceeds. The Owners' proportionate share of the cost of reconstruction or restoration shall be based upon the ratio that the square footage of the living area of his or her unit bears to the total square footage of the living area of all units provided that in the case of damage or destruction of the Common Area or any Common Facility the uninsured portion of any repair or reconstruction expense shall be allocated equally to each Unit.

If any owner fails or refuses to pay his or her proportionate share, the Board may levy a Special Individual Assessment against the Unit of such Owner which may be enforced under the lien provisions contained in this Declaration.

If any Owner disputes the amount of his or her proportionate liability under this Section, such Owner may contest the amount of his or her liability by submitting to the Board, within ten days after notice to the Owner of his or her share of the liability, written objections supported by cost estimates or other information that the Owner deems to be material and may request a hearing before the Board at which the Owner may be represented by counsel. Following such hearing, the Board shall give written notice of its decision to all Owners, including any recommendation that adjustments be made with respect to the liability of any Owners. If such adjustments are recommended, the notice shall

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Frank Miller Ins Agcy Inc

Frank Miller. Agent Lic. # 0582048
72875 Fred Waring Drive, Suite B
Palm Desert CA 92260-9367
Bus 760.346-1135
www.frankmilleragency.com

Providing Insurance and
Financial Services

January 14, 2013

Insurance News

The Board of Directors maintains a Condominium Master Policy providing protection as required by the CC&R's of Cathedral Canyon Country Club Homeowners Association #18. This policy is with State Farm Insurance Co. (Frank Miller Insurance Agency, Inc.).

The coverage provided by this policy is the most comprehensive in the industry and is known as "All Risk" Coverage. "All Risk" does not mean "All Loss", however. Some of the most common exclusions are: Flood; Wear and Tear; Deterioration; Mechanical Breakdown; Wet or Dry Rot; Birds, Vermin, Rodents, Insects or Animals; Mold; Continuous Leakage or Seepage which occurs over a period of time; damage to Interior of Buildings caused by rain, unless the roof first sustains damage by a covered loss. Please consult the Master Policy for exact details, which is on file at the Property Management Office.

A \$5,000 Deductible will apply to all property losses except Earthquake which has a 20% Deductible per Building or Structure. There is no deductible for Liability losses.

This policy also provides Liability protection for the Homeowners Association common area and includes Directors and Officers Liability providing protection for the Officers and Directors from civil suits arising from errors, omissions, and breaches of duty in their capacity as Board Members.

I would like to point out that this policy **DOES NOT** provide coverage for your Personal Contents or Personal Liability and **EXCLUDES** Wall Covering, Floor Covering, and Private Swimming Pools. These items are the Unit Owners insurance responsibility and can be insured by obtaining a proper Unit Owner policy. Some Unit Owner policies only provide \$1,000 coverage for Floor and Wall Coverings. Be sure to review your policy and counsel with your personal insurance agent or if you desire call Frank Miller Insurance Agency, Inc. (346-1135) for details.

It is ALSO RECOMMENDED that you obtain Earthquake Insurance for your Personal Property, Wall and Floor Coverings and Loss Assessment Coverage. California Earthquake Authority is now available. (See your Personal Insurance Agent for Earthquake Coverage.)

If you should suffer a loss that pertains to the Homeowner Association policy, please contact the Property Management Office so that they can assist you in reporting the claim to State Farm.

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Anybody present at the meeting who does NOT have a personal property and liability policy for their unit?

Individual owners are generally not required to carry personal insurance. If there is no mortgage it is strictly a personal decision.

Most mortgage companies only rely on the HOA coverage because it covers the condo buildings which is the asset they want to have insured although some have lately also asked to see personal Insurance coverage.

This is an option but the HOA board and management company should really try to encourage all unit owners to purchase a personal condo policy.

The next two pages comprise a typical condo policy quote.

This policy is known as an HO 6.

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Condo

QUOTE

Allied Insurance

NO EQ.
COVERAGE

Allied Insurance Agency

Agency Information:

Professional Ins Assoc Inc
Po Box 1266
San Carlos CA 94070-1266
(650) 592-7333

Property Address:

68205 Village Dr
Cathedral City CA 92234-6745

Date Quoted: 08/14/2013
Policy Effective Date: 08/07/2013
Original Effective Date: 08/07/2013
Policy Term: 12 months

Insured Information

Quote Number: HA 0043533210

Martyn S Weinberg
68205 Village Dr.
Cathedral City CA 92234-6745

Characteristics

Year Built:	06/1990	Territory:	059
Construction Type:	Frame	Protection Class:	003
Dwelling Occupancy:	Primary	Miles from Fire Department:	002
Fireplace:	Masonry	Auxiliary Heating:	None

Rating Information

Premier Endorsement:	N
Personal Property Replacement:	Y
Protective Device Credit:	Y
Gated Community Discount:	Y
Multi-Policy Discount:	Y
Wildfire Rating:	N
Personal Status Discount:	Y
Merit Points Charged:	0
Age of Insured Discount:	Y
Roof Credit:	N
Claim-Free Discount	Y

Coverages*

HO-6	None
Package:	20000
A. Dwelling:	
B. Other Structures:	62000
C. Personal Property:	Actual Loss up to 12 months
D. Loss of Use	

Limits

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E. Personal Liability: 300000
F. Med Pay Each Person: 1000
All Perils Deductible: 500
Theft Deductible: See All Perils

12 Months Premiums

Basic Policy **\$209.00**
Premium:

Endorsements

Title	Limit	Premium	
Loss Assessment Coverage:	50,000	\$9.00	
Premises Alarm (credit):		<u>(\$6.00)</u>	
Total Endorsement Premium:			<u>\$3.00</u>
Total Premium:			<u>\$212.00</u>

Special Notes:

This quote is not a binder of insurance and is subject to the terms and limitations of the issuing company. We also offer coverages for Boatowners Insurance, Personal Liability and other lines. Please consult with us to discuss your coverage needs. We will be glad to help. If you own a residence in another state, please consult with your agent for a coverage proposal.

* May not reflect all coverages selected. For a complete listing of coverages, please refer to the application.

Most of the information needed to provide you with an accurate quote comes directly from you. However, we also order a loss history report on you and your property. This information is provided by a consumer reporting agency. The address of the consumer reporting agency supplying the loss history report is LexisNexis Consumer Center, P.O. Box 105108, Atlanta, Georgia 30348-5108, 1-800-456-6004. You have the right to access such information and to correct the information if you feel it contains errors. Additional details about our information and disclosure practices are available upon request.

LOSS ASSESSMENT - DOES NOT

INCLUDE

EQ.

LOSS ASSESSMENT

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Option - Add EQ coverage to your personal condo policy.

There are three main components to the personal earthquake policy which can be added.

Personal Property.

Loss of Use.

EQ Loss Assessment.

Coverage limits vary as do premiums.

See next page for some alternatives and their annual cost.

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[How to file a claim](#)

[Contact Us](#) | [Contracting & Employment Opportunities](#) | [Terms of Use](#)

[About the CEA](#)

[Insurance policy Information](#)

[Premium Calculator](#)

[Agent & Adjuster Information Center](#)

[Are You Prepared?](#)

CEA Condominium Policy - Effective date on or after January 1, 2012

Mouse-over links for more information ...

Enter the ZIP Code of the insured residence:	92234	Select a personal property coverage limit (Coverage C):	\$25,000
Select Building Property Coverage (Coverage A):	\$25,000 Coverage	Select a loss of use coverage limit (Coverage D):	\$15,000
Is the Fair Market Value of Condominium greater than \$135,000?	@Yes ONo	Select a loss assessment coverage limit (Coverage E):	\$75,000

[Calculate Estimated Yearly Premium](#)

[Print Premium](#)

Estimates - Minimum Total Annual Premium for CEA Condominium policy is \$35.00

Estimate Number	Policy Type	ZIP Code	Territory	Coverage Limits and (Deductibles)				Yearly Premium
				Building Property (Deductible)	Personal Property (Deductible)	Loss of Use	Loss Assessment (Deductible)	
1	Condominium	92234	6	No Coverage	\$5,000 (\$750)	\$25,000	\$75,000 (\$11,250)	\$934
2	Condominium	92234	6	No Coverage	\$5,000 (\$750)	\$10,000	\$50,000 (\$7,500)	\$628
3	Condominium	92234	6	No Coverage	No Coverage	No Coverage	\$50,000 (\$7,500)	\$496;
4	Condominium	92234	6	No Coverage	No Coverage	No Coverage	\$75,000 (\$11,250)	\$799
5	Condominium	92234	6	No Coverage	\$25,000 (\$750)	\$15,000	\$75,000 (\$11,250)	\$1,013

Take the Next Step [Contact one of CEA's Participating Insurance Companies](#) to complete an application for coverage and to purchase a policy.

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Associations also have the option of having no EQ coverage as long as the CC & R's allow or have been updated to allow for this.

The Cathedral Canyon Association 18 HOA insurance policy provides coverage for property value in the amount of \$11,842,500 for the 61 units and other assets

The policy also has extended property value of an additional 20% for condo units only plus an endorsement for Ordinance or law coverage bringing the total property coverage to \$15,395,250.

The EQ coverage has a limit of \$11,842,500 plus ordinance and law coverage for a total of \$13,026,750 subject to a 20% deductible or \$2,368,500

The EQ premium for the current year is \$22,042 out of the total annual premium of \$38,445 or 57 of the total HOA insurance coverage.

Quite expensive and quite a large deductible!!!

See the abbreviated coverage page next

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INSURANCE SUMMARY DISCLOSURE FOR CATHEDRAL CANYON COUNTRY CLUB HOA #18 01/14/2013

MASTER POLICY	
Insurance Carrier	State Farm Insurance Companies
Policy Number	90-08-2456-5
Renewal Date	02/27/13-02/27/14
Limit of Liability	\$5,000,000
Property Coverage	\$11,842,500
Deductible	\$5,000
DIRECTORS & OFFICERS	
Insurance Carrier	State Farm Insurance Companies
Policy Number	90-08-2456-5
Renewal Date	02/27/13-02/27/14
Limit of Liability	\$5,000,000
FIDELITY BOND	
Insurance Carrier	State Farm Insurance Companies
Policy Number	90-60-6132-1
Renewal Date	03/27/12-03/27/13
Limit of Liability	\$300,000
COMMERCIAL UMBRELLA	
Insurance Carrier	N/A
Policy Number	
Renewal Date	
Limit of Liability	
EARTHQUAKE	
Insurance Carrier	State Farm Insurance Companies
Policy Number	90-08-2456-5
Renewal Date	02/27/13-02/27/14
Limit of Liability	\$11,842,500
Deductible	20% per building or structure
WORKERS COMP	
Insurance Carrier	State Farm Insurance Companies
Policy Number	90-BY-FI65-4
Renewal Date	03/09/13-03/09/14
Limit of Liability	\$1,000,000/\$1,000,000/\$1,000,000

All policies above with State Farm Insurance Companies Agent
Frank Miller's Office (760) 346-1135

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How would the Assoc 18 EQ coverage work in the event of a huge EQ which rendered all of the condos to be uninhabitable or totally red flagged. This is a simplified version.

EQ property coverage	\$13,026,750
Less 20% Deductible	\$2,605,350
Net coverage available	\$10,421,400
Net coverage for each of 61 units	\$170,860
Replacement cost for each unit Of the 61 units	\$213,550
At risk amount per unit.	\$42,690

This would be the approximate amount that could be ASSESSED to each condo owner.

EQ loss assessment coverage through CEA of \$50,000 less the 15% deductible of \$7500 would provide \$42,500.

VOILA!!!!

It should be noted that this is the approximate result because the EQ portion of the policy pays claims per building. HOA 18 has 30 duplex buildings and one stand alone building. Plus the loss assessment claim would be for \$42,690 with an 85% payout of \$36,390.

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The HOA 18 preceding coverage is provided by State Farm and is not available for purchase any more.

State Farm is also gradually cancelling these policies because the EQ premium is insufficient among other reasons.

SO - KEEP ANY STATE FARM COVERAGE YOU HAVE. IT IS NOT REPLACEABLE.

Several of the associations carry their general coverage and EQ coverage through LaBarre/Oksnee among others. This agency has over 4000 HOA policies in California, Nevada and Arizona which means to this writer that they are doing something right.

The next page is an older certificate for another CCCC HOA.

Their Earthquake coverage is limited to \$10,000,000 probably for premium reasons. (With a 20% deductible or \$2,000,000). The EQ portion of these policies is much more expensive than the State Farm policy discussed.

The Property value is \$12,925,000 and this policy has net proceeds available of \$8,000,000.

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ACORD. CERTIFICATE OF LIABILITY INSURANCE	<OP-ID-BO	DATE (MM/DD/YYYY)
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PRODUCER LaBarre/Oksnee :Ins. Agency-PD 95 Argonaut Ste 110. Aliso Viejo CA 92656 Phone: 760-346-7251 Fax: 760-346-4269	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.												
INSURED Cathedral Canyon C. C. C/O Desert Management P. O. BOX 799 Rancho Mirage CA 92270	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">INSURERS AFFORDING</td> <td style="width: 20%;">NAIC#</td> </tr> <tr> <td>INSURER A: Sirius America Insurance</td> <td></td> </tr> <tr> <td>INSURER B: Great American Group</td> <td></td> </tr> <tr> <td>INSURER C: Zurich companies</td> <td></td> </tr> <tr> <td>INSURER D:</td> <td></td> </tr> <tr> <td>INSURED E:</td> <td></td> </tr> </table>	INSURERS AFFORDING	NAIC#	INSURER A: Sirius America Insurance		INSURER B: Great American Group		INSURER C: Zurich companies		INSURER D:		INSURED E:	
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COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENTS WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS							
INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	X	GENERAL LIABILITY	68400739-00	08/10/06	08/10/07	EACH OCCURRENCE	\$1,000,00
		COMMERCIAL GENERAL LIABILITY				DAMAGE TO RENTED PREMISES (EA OCCURRENCE)	\$ 50,000
		CLAIMS MADE OCCUR				MED EXP (Any one person)	\$1,000
						PERSONAL & ADV INJURY	\$1,000,000
B	X	D&O \$1,000,000	BPP2597353-0	08/10/06	08/10/07	GENERAL AGGREGATE	\$2,000,000
		GENL. AGGREGATE LIMIT APPLIES PER POLICY PROJECT LOC				PRODUCTS - COMP/OP AGG	\$2,000,000
A	X	AUTOMOBILE LIABILITY	68400739-00	08/10/06	08/10/07	COMBINED SINGLE LIMIT (Ea accident)	\$1,000,000
		ANY AUTO				BODILY INJURY (Per person)	\$
		ALL OWNED AUTOS				BODILY INJURY (Per accident)	\$
		SCHEDULED AUTOS HIRED				PROPERTY DAMAGE (Per accident)	\$
A	X	NON-OWNED AUTOS	68400739-00	08/10/06	08/10/07		
		GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT	\$
		ANY AUTO				OTHER THAN EA ACC	\$
						AUTO ONL. Y. AGG	\$
C	X	EXCESS/UMBRELLA LIABILITY	SA0103168-00	08/10/06	08/10/07	EACH OCCURRENCE	\$5,000,000
		OCCUR CLAIMS MADE				AGGREGATE	\$ 5,000,000
							\$
		DEDUCTABLE RETENTIONS					\$
							\$
		WORKERS COMPENSATION AND EMPLOYERS LIABILITY				WC STATUTORY LIMITS	
		ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED				E.L. EA ACCIDENT	\$
		If yes, describe SPECIAL PROVISIONS below				E.L. DISEASE - EA EMPLOYEE	\$
						E.L. DISEASE - POLICY LIMIT	\$
A		Property Coverage	68400739-00	08/10/06	08/10/07	\$5000 ded	\$12,924,631
B		Fidelity Bond	38-21-3621-0	08/10/06	08/10/07	\$1000 ded	\$200,000 .
Earthquake is with XL Specialty \$10,000,000 limit with 20% ded per building. Effective 11/20/05-11/20/06 ****commercial. Package is Guaranteed Replacement Cost****							

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It is important to understand the preceding certificate.

Are any of the insurance companies "admitted" to do business in California? If not they can still market policies but only through excess and surplus lines general agencies.

This means that these companies do not report their financial status or quarterly results to the California Department of Insurance and could be severely financially hurt by a large earthquake.

It is also necessary to understand how a claim would be processed.

EG: If there is an Earthquake with a \$1,000,000 loss resulting to the insurance holder. How is that paid?

First dollar by the Insurance Company less the deductible?

Or is the uninsured portion of \$2,925,000 prorated against the total to share the loss?

Or is the first \$2,925,000 also deducted with no corresponding claim payment?

The EQ coverage is with XL Specialty Insurance. Who are they? Where are they based? What laws are they subject to?

Earthquake loss assessment coverage premiums through the CEA have increased over the last several years and will probably continue to increase making the EQ coverage decision even more difficult.

Martyn Weinberg - 8115/2013

CA License # OD46552

760.863.9282

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In answer to questions Martyn said:

- Many insurance companies are not writing new earthquake policies.
- If your HOA currently has earthquake insurance, keep it – it will cost much more to get a new policy.
- If you are considering getting a new policy, hire an expert to evaluate your situation and provide alternatives for consideration by the Board

Open Forum – A question was asked if anyone has had recent experience in negotiating a new agreement for cable with Time Warner Cable.

Several answers were volunteered:

- TWC is very rigid in negotiations – they have a monopoly and know it.
- Some are considering suing TWC for the cutback in programming. This was answered with “have you read your TWC agreement – they are free to add, drop and change programming offered at will”
- One said he looked for an alternative with Verizon FIOS – Verizon said they have no plans to offer FIOS in Cathedral City or Rancho Mirage.

Handouts – None

Next Meeting – Thursday, September 19, 2013 at the Cathedral City – City Hall

Tom Tousignant, Recorder