

IMPORTANT INFORMATION FOR EVERY OWNER: Villa Canada Insurance Update and Vote Requirement

Dear Members –

As you know, the Board has been diligently working on securing new fire insurance coverage for our Association since June. Agents and Brokers are having great difficulty in obtaining affordable fire insurance for our Association due to ~~the~~ insurance companies' concern about wildfire risk. While initially in September we were able to obtain a policy at a reasonable cost, that policy will not be extended beyond mid-November, and the full year coverage quotes we are receiving are substantially more costly.

While continuing to seek a more affordable policy, the current best quote obtained is in excess of \$125,000/year, which will require an increase in our monthly assessments somewhere between \$150 - \$200/month. Unfortunately, our Brokers are telling us that the marketplace for policies is getting worse every day due to the perceived risk of wildfires in California and the resulting losses those companies have incurred.

To address this issue for future years, and under the advice of every Insurance Broker we have contacted, we will be voting in December on an amendment to our CC&R's (the governing documents covering our Association) that will change the insurance requirements from the current comprehensive coverage to a WALLS OUT policy.

The change means the HOA coverage will **only** be responsible for rebuilding the exterior structure of each unit in the event of a fire, but each unit owner will need to have a Condominium Owners policy in force to rebuild the interior of the unit. Most of us already carry this type of insurance policy and won't need to do anything while those that do not have this type of Condominium Owners policy will need to obtain coverage for their unit.

Additionally, units that are rentals will be required to ensure that their tenants obtain Renters' insurance to replace any personal property lost in the event of a fire. This change is fully endorsed by the entire Board as the best option for our association going forward.

Please be on the lookout for the ballot to vote on this change arriving in your mailbox from our Inspector of Elections, The HOA Election Guys, Inc., soon. This is of extreme importance, and the amendment to the CC&R'S requires a 75% approval for it to pass. **THIS IS AN URGENT MATTER.**

If this amendment doesn't pass, the carriers will continue to bid on the \$24,000,000 risk factor which means the same or potentially higher rates going forward. The alternative is, if it does pass, the risk to the carriers will be substantially reduced and annual rates to the association should come in lower which could mean lower homeowners dues in the future.

If you have any questions please address them to Tom Meikle at 626-890-0892 or Bill Koury at 818- 805-7762.

Alan Mayer
VCHOA Board Member
On behalf of the VCHOA
818-726-5028

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