

# Ventana Lakes Property Owners Association

## Board of Directors Special Open Meeting Monday, January 21, 2008 Minutes

**Time:** 4:00 p.m.

**Location:** Ventana Lakes Management Office  
10874 W. Chino Drive

**Board Members Present:** Sue Alandar, Darrel Smith, Moe Frenette and Lori Norris

**Manager Present:** Jack Donovan

**Guest(s) Present:** Bill Kietel

The Special Open Meeting was held to discuss VLPOA Insurance Coverage options. Two insurance proposals were received, one from Alliant/Travelers and one from State Farm Insurance Company's.

Bill Kietel provided an overview of his expertise regarding the two proposed insurance coverage documents from; Travelers (at a proposed annual cost of \$45,697) and State Farm (at a proposed annual cost of \$40,212) Insurance Company's. Both companies are rated A+, with the highest rating being A++. Association coverage is not well liked by the Insurance industries therefore not too many companies will submit proposals to insure. Both companies submitted commercial packages and both offer blanket coverage which is good. The premiums are based on past experience period of 3-5 years. The deductibles proposed are low (\$2,000), recommend raise deductibles to \$5,000. This will eliminate the nickel and dime claims as "frequency breeds severity". Currently the VLPOA CC&R's and Bylaws are silent on insurance other than requiring Fidelity coverage; therefore there are not guidelines for the amount or what the Association must insure. The Gardens are responsible for any deductibles in the Gardens.

Vice President Smith, since CareScape identified all of VLPOA's common area trees and have set an asset value, are these trees covered due to the documented value?

Comment by Keitel, I don't know.

Travelers provides \$2 million with \$2 million Umbrella, while State Farm does not separate out, they increased the General Liability and do not have as broad a Comprehensive General and Umbrella. The difference in the Auto Coverage; Travelers covers the VLPOA Golf Cart and business travel, while State Farm only covers the VLPOA Golf Cart.

President Alandar, can our Lake liners be insured?

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Comments by Keitel, not through Travelers or State Farm, I would suggest contacting Nautilus of Scottsdale.

Insurance coverage on Employee Benefits will be cancelled again this year as VLPOA do not have a lot of employees and the deductible would be greater than the benefit amounts. Each property owner with a dock is required to provide a Certificate For Insurance (CFI) in the amount of \$1 million.

President Alandar, according to the CC&R's, the Association is required to provide insurance for water front properties.

Comments by Kietel, can you show me where that is written?

President Alandar, I will have to research again and provide a copy.

Alliant/Travelers recommended considering Flood and Earthquake coverage and consider increasing Umbrella Liability as the existing limit of \$2 million is low for the scope of the VLPOA operation. Provide evidence of Employers Liability Limits on Workers Compensation Policy being at least \$500,000/\$500,000/\$500,000 in order to have the Umbrella Policy provide Excess Liability coverage over Employers Liability.

Manager Donovan, drafted recommended coverage and deductible changes to the Traveler's Crime insurance section:

<u>Item</u>	<u>Traveler's Coverage</u>	<u>Suggested Change</u>	<u>Deductible</u>
Employee Dishonesty	1,200,000	50,000	5,000
Forgery & Alterations	1,000,000	10,000	1,000
Money & Securities (On)	25,000	5,000	0
Money & Securities (Off)	25,000	5,000	0
Money Orders & Counterfeit	1,000,000	10,000	1,000
Computer Fraud	1,000,000	10,000	1,000

Comments by Kietel, suggest requesting Binder Coverage for February 1, 2008, this will alleviate concerns with February 1<sup>st</sup> deadline. With the recommended changes, there may be changes to the quote.

Frenette motioned, Smith seconded, REQUEST RECOMMENDED CHANGES AND BINDER COVERAGE WITH ALLIANT-TRAVELER INSURANCE PROPOSAL.

**Motion Passed.**

Manager Donovan tasked with contacting Traveler's Insurance with the following recommended changes:

1. Increase deductible to \$5,000.
2. Identify if the 1,800 trees with a value of approximately \$5 million covered.
3. Increase Umbrella to \$5 million.
4. Decrease crime coverage as indicated above.

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Mr. Donovan to submit proof of Employers Liability Limits on Workers Compensation Policy.

Comments by Keitel, Traveler's offers payment plan, suggest paying total up front because if a payment is missed you lose coverage.

Bill Keitel advised currently the Association is insuring the Gardens dwellings under a condominium status using the "bare walls" insurance coverage. In order to qualify for a "bare walls" insurance coverage, the dwellings are identified as "condo units". The Gardens tract declaration identifies the dwellings as "cluster residential" (not condominiums). "Bare walls" coverage was developed for condominiums only. Previous Association legal counsel (Ekmark & Ekmark) wrote a letter advising VLPOA to obtain "bare walls" coverage for the Gardens.

President Alandar, further research and legal advice from current legal counsel (Carpenter Hazelwood) are needed for this issue.

Bill Keitel provided a copy of a Waiver and Liability Form to be used for the Gardens regarding Solartube or skylight installations. The form must be signed, filed with the Maricopa County Records Office (to ensure new owners aware and agree with waiver and liability) and the completed form filed at the VLPOA Management Office.

Frenette moved, Norris seconded, THERE BEING NO FURTHER BUSINESS TO DISCUSS, MOVED TO ADJOURN.

**Motion passed**

**Board Meeting adjourned at:** 5:25 p.m.

\_\_\_\_\_  
Lori Norris, VLPOA Secretary

Date: \_\_\_\_\_

Cassette(s) Submitted: \_\_\_\_\_  
(number) (initials)