

Valley Pond Townhome Association
Process for Handling an Insurance Claim

1. Damage occurs:

- a. Damage occurs to an owner's home that is covered by the Association's Master Policy with Auto Owners Insurance and will likely exceed the deductible, currently \$5000 per claim.

2. Initiating a Claim:

- a. The Owner alerts the building representative that he/she intends to make an insurance claim.
- b. The Owner is responsible for collecting the proceeds from the insurance company. The Owner contacts Auto Owners Insurance, Cannon Falls, MN, (507) 263-2020 to provide them with all necessary information.
- c. Auto Owners Insurance Company reviews the claim information to see if the damages are covered and will exceed the deductible.
- d. Auto Owners sends an adjuster to review the damage. The Owner must coordinate a time for this review. The owner may be requested to get estimates for this work to assist the insurance adjuster.
- e. If the damages are covered and exceed the deductible, Auto Owners makes payment to Association, less the deductible.

3. Restoring the Damage and Distribution of the Insurance Proceeds:

- a. The Association deposits the insurance proceeds with a title insurance company.
- b. Within 30 days the Owner enters into a contract to restore the damaged unit. The Owner may not contract for work that costs more than the insurance proceeds until additional funds have been deposited with the title insurance company. In addition, if the Owner intends to make changes to the exterior of the unit, the changes must be reviewed and approved by the Architectural Control committee of the Association.
- c. The work to correct the damage must be completed within 180 days.

- d. The title insurance company is responsible for disbursement of the insurance proceeds and all requests for payment must be made to them.

Prepared by Matt Kerschbaum and Earl Crow

Reviewed by Attorney Mike Hero

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