

**RESOLUTION  
OF THE  
BATTLEMENT MESA SERVICE ASSOCIATION, INC.  
REGARDING PROCEDURE FOR CLAIM SUBMISSIONS TO THE ASSOCIATION'S  
INSURANCE CARRIERS**

**SUBJECT:** Adoption of a procedure for insurance claim submissions to the Association's insurance carriers.

**PURPOSE:** To adopt a policy and standard procedures regarding insurance claim submissions to the Association's insurance carriers.

**AUTHORITY:** The Declaration, Articles and Bylaws of the Association and Colorado law.

**EFFECTIVE  
DATE:** January 1, 2006

**RESOLUTION:** The Association has adopted the following Policy and Procedures:

Colorado law allows the Association to establish a procedure for claim submissions to the Association's insurance carrier.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors does hereby adopt the following policies and procedures for claim submissions to the Association's insurance carriers.

**1. PROPERTY/CASUALTY CLAIMS OF THE ASSOCIATION.** The following procedures shall be followed by the Board for property/casualty claims of the Association:

- A. The Board shall consult with its insurance agent and/or attorneys to determine:
  - 1. Whether there is coverage for the claim; and
  - 2. If coverage exists, whether to submit a claim under its policies by balancing the benefits conferred to the Association under the policy with the costs associated with the claim to the Association.
  
- B. If coverage exists, then:
  - 1. In the event that the Board determines that it is in the best interests of the Association to submit a claim under its insurance policies, the Board shall follow the procedures set out in the insurance policies. The Board may notify directly effected Owners of the filing of a claim; or
  - 2. In the event Board determines that it is not in the best interests of the Association to submit a claim under its insurance policies, the Association

H. The Board shall then make a determination as to whether the occurrence or claim consists of damages for which the Owner is responsible for insuring under the Declaration. In such event, the Association shall so notify the Owner in writing. If the Board determines that the occurrence or claim consists of damages for which the Association is responsible for insuring, the Board shall follow the procedures set out above. In that event, an Owner may not submit a claim to the Association's insurance carrier.

**4. RESPONSIBILITY FOR PAYMENT OF DEDUCTIBLE AMOUNT.** Whether the Board, in its discretion, chooses to submit a claim under the Association's insurance policy or not, the payment of the deductible amount for claims that the Association is responsible for insuring, shall be as follows:

- A. **Service Association Properties or Assessment Units/Based on Maintenance Allocation:** The Association shall pay or absorb the deductible for any work, repairs or reconstruction for damage to Service Association Properties or for damages to Assessment Units that due to lack of maintenance or that would be the maintenance responsibility of the Association in the absence of insurance. However, if the damage is caused by the negligent or willful act or omission of an Owner, his family, guests, or invitees, then, in that case the Association may seek reimbursement of the deductible amount from such Owner as an assessment under the Declaration, after providing such Owner notice and an opportunity for a hearing.
- B. **Assessment Units/Owner Maintenance:** The Owner shall pay or absorb the deductible for any work, repairs, reconstruction or replacement for damage to a Assessment Unit that would be the Owner's maintenance responsibility in the absence of insurance, unless the loss is caused by the negligent or willful act or omission of the Association or another Owner, in which case, the negligent party may be responsible for the deductible. The Association shall provide an Owner notice and an opportunity for a hearing prior to allocating any deductible to that Owner as a result of that Owner's negligence.
- C. **Multiple Assessment Units or Assessment Unit and Common Element Damages:** If a claim covers damage to more than one Assessment Unit or to portions of a Assessment Unit and Service Association Properties that are the maintenance responsibility of both the Owner and the Association, the deductible shall be allocated between Owners or between the Association and the Owner(s) in the same proportion as that portion of the claim which would be their maintenance responsibility in the absence of insurance bears to the total insurance paid for the occurrence as determined by the Board of Directors. However, if the loss is caused by the negligent or willful act or omission of the Association or another Owner, then, in that case, the negligent party shall be responsible for the deductible.

**5. RESPONSIBILITY FOR OWNERS' ACTIONS.** In all cases where damage is caused to Service Association Properties by the negligent or willful act or omission of an Owner, his family, guests, or invitees, as determined by the Board of Directors in its sole discretion, the