Tamarack Trails Community Services Assoc., Inc.

Insurance Information for 9/1/2026 – 9/1/2027

The property insurance deductible increased to $25,000 for this policy year.

Dear Tamarack Resident:

Please review your insurance policy and present the information that follows to your insurance agent when obtaining or updating your coverage. The agent for 9/1/2026 – 9/1/2027 is Louis Perry and the carrier is Rural Mutual Insurance Company. If you require an insurance certificate email lperry@ruralins.com.

The Deductible - The unit Owner needs to obtain dwelling (real property) coverage insurance in the amount of **$25,000** to cover any damage to their home that is less than the Association's deductible. The Association's deductible increased to $25,000. The Association's insurance will cover damage to the building (caused by a covered peril) in excess of $25,000 including all attached fixtures. The responsibility for the repair of any damage less than $25,000 will need to be covered by the unit owner's insurance or by the unit owner in the absence of this dwelling coverage.

Standard Quality Construction vs. Betterments and Improvements – In addition to the $25,000 of dwelling coverage, the unit owner should obtain coverage for betterments and improvements. The average cost for this coverage is approximately $2 per $1,000 of coverage. The Association's insurance covers all of the dwellings based on current good-quality construction costs in the city of Madison. Betterments and Improvements are items that are of substantially higher quality than what you would find in an average home. An example of this would be imported teak kitchen cabinets.

The Association's insurance would only cover the cost of standard good-quality kitchen cabinets. Any cost over and above that needs to be covered as a betterment and improvement on the homeowner's policy.

Sewer, Drain or Sump Backups - A new policy change: Subject to the above $10,000 deductible, TT's policy covers damage for covered property caused by sewer, drain, or sump backups. An exception is if the damage is flood-related or caused by failure to maintain or repair the sewer, drain, or sump, or power failure.

Additions and Replacements – The Association's insurance covers additions and replacements at values based on good-quality construction. If you add a three-season room to the house it would be covered at standard building values.

Water Damage Insurance– The Association's and most unit owner policies do not cover water which seeps into lower levels. Water seepage into the lower level of a dwelling is usually a listed exclusion in most policies.

How Much is too Much? – If you insure the entire value of the house you are carrying too much insurance as the majority of the dwelling is covered by Tamarack's policy. The homeowner only needs to carry insurance on the dwelling's betterments and improvements, plus $25,000 to cover any damage amount less than the Association's deductible. Additionally, personal property and personal liability insurance are not covered by the Association's insurance. It is highly recommended that residents obtain personal property and personal liability coverage.

Article VII of Tamarack's Restated Declaration defines insurance coverage responsibilities and the text is reproduced on the following page. The complete Declaration is available online at *www.tamaracktrails.com*. .

Below is the current wording from Tamarack's Restated Declaration as it pertains to insurance coverage.

ARTICLE VII

Insurance

Section 1 – Property Insurance. The Association shall maintain insurance coverage for special form causes of loss at full insurable value on the Property and all Living Units: including interior walls; fixtures; installations; alterations and additions; to be insured on a replacement cost basis. The replacement cost and coverage will be established based on standard quality construction and is subject to the policy's deductible. It is duly noted that water damage (flood, sewer backup, groundwater seepage), personal property and personal liability insurance are not covered by the Association's insurance. In the event that the Association is unable to obtain said Property Insurance for the Living Units, it will be the obligation of the Owner to obtain property insurance as described in this Section for such Owner's Living Unit.

Section 2 – Owner's Responsibility For Insurance: Maintenance of insurance by the Association shall not relieve or prohibit Owners from maintaining insurance with limits in excess of those maintained by the Association or with additional insured risks or to obtain insurance if the Association is unable to do so. Unit Owners are encouraged to submit copies of the Declaration to their insurance carriers in order to ensure adequate property and liability coverage for their personal property, the Owner's Living Unit (covering extraordinary betterments and improvements and the Association's deductible) and Lot. If damage occurs to a Living Unit and was caused by a covered peril under the Association's insurance, the Owner shall be responsible for payment of the Association's deductible.

Section 3 - Liability Insurance. The Association shall maintain comprehensive general liability insurance against all claims commonly insured against and in such amounts as the Association shall deem suitable; provided, however, the minimum limits for bodily injury and property damage shall be $1,000,000. The policies shall include standard coverage for the errors and omissions of Association directors or officers. Such policies shall also contain "severability of interest" endorsements which shall preclude the insurer from denying the claim of an Owner because of negligence on the part of the Association or other Owners.

Section 4 – Fidelity Insurance. The Association shall maintain fidelity coverage against dishonest acts by any person responsible for handling the funds belonging to or administered by the Association. The Association shall be the named insured, and the insurance shall be in an amount of not less than the amount of funds that will be in the custody of the Association (or its manager) at any one time, or such amount as will qualify under the Federal National Mortgage Association guidelines.