

**IMPORTANT ANNOUNCEMENT
PLEASE READ!**

The Bluff Condominium Association will renew coverage with Farmers Insurance on December 15, 2023. For the past several weeks the Board of Directors has been soliciting alternative insurance carriers due to a new restrictive requirement by Farmers Insurance as a condition of renewal.

Farmers Insurance would not renew insurance coverage for the Bluff without a stipulation that there would be **no barbecues within 10 feet of the structure**. This includes all propane, natural gas, wood pellet, or charcoal burning barbecues and smokers. If it uses a flame or embers to cook, it is not allowed. The Bluff Board members petitioned Farmers for an exception with limiting barbecue use to gas grills for owners only. Negotiation ultimately resulted in Farmers Insurance acknowledging that electric barbecues would be acceptable.

Why were negotiations necessary? The insurance industry as everyone knows has experienced significant losses from fires across the northwest like those in California, Colorado, and Hawaii. Many fires reported each year across the country are attributed to barbecue use similar to that which recently occurred in Warm Springs. The Sun Valley area has been classified as a forested area, and many of the insurance providers will no longer write insurance for potential large exposure losses in forested areas. The Bluff is insured for \$42 million. This valuation alone limits the number of insurance carriers willing to insure the Bluff property. In addition, there is the recent loss history for the Bluff Association which includes a fire loss and a slip and fall liability case which is still pending. Bluff's loss history makes the Association appear a questionable risk.

Bluff had two insurance agents involved in securing insurance, one was the Farmers agent and the other was a SentryWest independent agent. Eight other insurance carriers were contacted and all but one refused to submit a quote for coverage. Forested area, BBQ use, loss history and overall valuation were the reasons listed for not submitting a quote. Accelerant Insurance, the only other carrier willing to quote at this time, offered a policy at slightly less cost and allowed gas BBQ use. The problem with using Accelerant Insurance was the deductible options of \$25,000 per unit or \$50,000 per incident. In the unlikely event that the entire association burned down the deductible total would be \$2.6 million and replacement cost coverage was limited to total policy values. At \$50,000 per incident, Accelerant's premium was increased by several thousand dollars bringing it more in line with the Farmers policy total cost while providing less overall coverage. In addition, Accelerant is not an admitted insurance carrier in Idaho. In the case of a catastrophic loss should Accelerant Insurance be unable to pay, Idaho would not guarantee to cover the loss through the State insurance regulatory agency. And lastly, there was concern that if Accelerant decided in the near future to not renew coverage for any reason, it could be very difficult to find another carrier. Without insurance the sales and value of the Bluff condominiums would plummet and make it impossible for lenders to finance sales.

In summary, at this time the Board has opted to renew the insurance with Farmers Insurance. **All charcoal, gas barbecues and smokers will need to be removed from your deck area. We have informed Farmers that we would try to have this completed by March 31, 2024.** We are awaiting their response and will keep owners notified. There is an acceptable electric barbecue option that can be found here for your consideration: https://www.charbroil.com/edge-electric-grill-22652143?gad_source=1&gclid=EAlaIqObChMI-eDqy4rWggMVrwtBh086QC6EAQYBCABEgJ45PD_BwE

More information will be coming soon. Thank you for your patience and understanding.

*Chuck Williamson
Managing Agent*