

June 28, 2013

Dear Grove Neighbor:

As many of you are aware, the University Real Estate Office has recently begun rigorous enforcement of the clause in our Lease that requires, among other items, that the University be listed as a "loss payee" on each of our homeowner's insurance policies. This has proved to be no problem for the majority of residents, but a few report that their insurance companies are balking.

The UGHA Board asked the Real Estate Office to examine this portion of the Lease and to consider some language changes. The University has determined that it is NOT in the University's interest to make any Lease language changes. Here is the official word from the Real Estate Office:

*The Grove land lease requires that each lessee provide to the University upon commencement of the lease, and thereafter upon renewal of each policy, certificate/s of insurance confirming (a) fire and extended coverage insurance for 100% full insurable value of the improvements, and (b) not less than \$500,000 in general liability insurance which names the University as additional insured; both coverages to name the University as loss payee as its interest may appear.*

*The University's Risk Management and Insurance Office has recently reviewed the loss payee endorsement requirement, and has confirmed it should remain in the land lease. Their comments:*

*(In the event of an insurable event,) We want to be assured that the property will be restored to its pre-loss condition. So, we are a loss payee in order to have some level of control over the process. Without this, the insured could take a reduced Actual Cash Value settlement and walk, leaving us with impaired property.*

*Being a Loss Payee is a reasonable requirement and in the best interest of the University. In lieu of waiving the requirement, we should double down on ensuring compliance.*

*There is no good reason for State Farm (or any other insurer) to object; we have a legitimate interest.*

*Accordingly, a list of insurance companies and agents that have provided the required insurance documentation for Grove homes has been provided to the Grove Homeowners Association. The Real Estate Office will accept the required insurance information in any written form (i.e. Certificate of Insurance along with an email confirming balance of the insurance requirements not documented on*

*the Certificate of Insurance, Certificate of Insurance along with a fax cover sheet confirming balance of the insurance requirements not documented on the Certificate of Insurance). In the event the Grove lessee's current insurance company or agent indicates they cannot provide the required insurance documentation, the Grove homeowner should obtain a list of the insurance companies and agents that have provided the required insurance documentation for other Grove home/s and apply for coverage to one of those companies or agents.*

The UGHA Board has put on the Grove website the list of agents that the University's message references. If you have any questions about this, please contact the Real Estate Office directly:

Susan Carlson Weinberg, CRE  
Director of Real Estate  
University of Minnesota  
Phone: [612/625-4539](tel:6126254539)  
Fax: [612/624-6345](tel:6126246345)  
Email: [weinberg@umn.edu](mailto:weinberg@umn.edu)

Steve Taff  
for the UGHA Board

[steve.taff@gmail.com](mailto:steve.taff@gmail.com)