

ABI Insurance | May 2021 Newsletter

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BBQ's Do Cause Fires

Who doesn't like cooking meals on the BBQ? However, we do not think about the dangers that a barbecue brings to communities that have smaller and constricted balconies and overhangs. For grilling to be safe in a community, the gas, propane, or electric grill must be able to be 10 feet from any building or overhang. One type of BBQ that should be prohibited in any association is charcoal. These grills are extremely dangerous as the flame is not easy to put out. The picture in this article is an association that had a fire occur caused by a BBQ grill. This kind of claim not only causes extreme property damage to the buildings but is also a life safety issue. Other neighbors may not be able to get out of their home fast enough and can sustain serious injuries. If your community has close quarters on the decks and balconies, consider looking at some changes to prevent these losses.

Loss Prevention: Social Events

With summer right around the corner, many communities are opening and allowing rentals of facilities and amenities to owners and tenants. Associations need to make sure that they are protecting themselves and not opening the community to a lawsuit. We have some great tips to consider:

- Is the association allowing alcohol on the premise? If so, make sure the association has liquor liability coverage. A lawsuit could occur if someone were drinking on the association's property and was involved in an accident on their way home.
- If the association is going to allow owners to rent a facility, regardless of alcohol being involved, the association can consider requesting an event policy or liability coverage extended by the owner's policy.
- Bounce houses and other high-risk activities are fun, but they can cause serious injuries. Insurance carriers do not like these types of exposures.
- If your community has a pool, make sure rules are communicated and followed.



Always discuss with your association attorney if there are any concerns with how to enforce rules and the best protocols to protect the community with social events in the common areas.

Owner's Burning Question

Q: My association does not have full earthquake limit (or purchase none at all), can I purchase this to protect myself?

A: There are stand alone policies that owners can purchase that will help provide coverage for their unit and common area damage that may be assessed by the association. If your association doesn't have earthquake coverage, an owner can look to purchase a policy themselves. Keep in mind that an owner will never be able to insure for everything and be completely made whole purchasing the insurance themselves. If only one owner out of the building had insurance for an earthquake, it will be difficult for that owner to rebuild unless the other owners are able to as well. Ultimately the best way for a community to be protected for earthquake damage is for the association to secure a policy on all structures so that there is coverage for everyone to be able to rebuild.



Update of the month: Has your HVAC been serviced this year?

When was the last time that your HVAC system has been serviced? The lifespan of an HVAC system is about 15-25 years depending on the maintenance schedule. The most common HVAC problems are due to lack of maintenance, dirty filters and mechanical wear and tear. Typically, maintenance and inspections are done by a licensed professional and can cost on average between \$75 to \$200 but is critical in prolonging the life of the appliance and preventing future claims.



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