



October 2023 Newsletter

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Lithium-ion Batteries Pose Concerns and Risks

Technology has greatly improved our lives. With better communication tools, daily tasks are easier and more efficient. However, concern continues to grow regarding devices that use lithium-ion batteries. These batteries may pose a fire hazard and risk of injury to others. The large amount of energy these batteries contain can cause explosions and start fires which could create a life-safety issue and property damage. Recent news reports talk about multiple accounts of e-bikes and electric scooters that have caught fire. As the fire spread to other buildings, it caused property damage, and in some cases injury and death. An effort needs to be made to stop these tragedies.

Insurance companies are concerned with this growing risk, especially for communities in densely populated areas. Because of the increased fire risk in our community buildings, insurance companies want e-bikes, scooters, and other devices with lithium-ion batteries to be

stored outside of living quarters. On recent insurance renewals, insurance companies have asked about the measures associations are taking to educate owners and tenants on the risk of lithium-ion batteries.

When buying a device that uses lithium-ion batteries, verify the battery is certified by a nationally recognized testing laboratory,

for example, Underwriters Laboratories. Buy from a reputable supplier. Manufacturing is not globally consistent, and this means quality and standards will vary.

Other safety tips include:

- Closely follow the manufacturer's instructions for charging and storage.
- Only use the power adapter and cord supplied by the manufacturer.
- Do not leave the battery charging overnight.
- Do not leave the battery near heat sources or in direct sunlight.
- When the battery needs to be replaced, buy the replacement battery from the same manufacturer.
- Do not throw the old battery in the trash. Properly dispose of the battery at a hazardous waste facility.

Some devices that use lithium-ion batteries may include and are not limited to the following: e-bikes, e-scooters, power tools, hoverboards, vehicles, backup batteries, vaping devices, laptops, and other electronic devices.

Boards need to establish guidelines and storage requirements regarding devices that contain lithium-ion batteries*. Before purchasing any device with a lithium-ion battery, understand the guidelines established by your community.

* For a sample letter with lithium-ion battery guidelines and resources, visit ABI's website:

<https://abipdx.com/lithium-ion-batteries-pose-concerns-and-risks/>.



Defense for Discrimination: Does Your Policy Cover That?



Fair housing laws at the state and federal level help protect against discrimination based on race, religion, sex, familial status, national origin, marital status, sexual orientation, gender identity, or disability. Discrimination against an owner or tenant is prohibited. If an allegation is brought against a community that alludes to discrimination, how will the association's policy respond? Boards may find the three suggestions below helpful for navigating potential fair housing situations.

1. Establish a training procedure to educate new and current Board members on owners' rights and rules within governing documents that need to be followed. Boards need to consistently enforce rules and have clear decision-making procedures for any situation. Board of Directors and committee members need to know what kind of actions and words can be considered discriminatory.
2. Create a procedure to address situations of potential discrimination and accommodation requests. Quick decisions could be costly for a community if the wrong choice is made.
3. Consult the association's attorney any time there is a possible fair housing situation that arises. Understanding the rules and laws that are applicable will help guide an association through the situation.

Defense for discrimination is a coverage that can be included in the Directors and Officers policy. This coverage could help cover attorney costs within a lawsuit that has allegations of discrimination. This coverage may not be automatically included within the association's policy and some insurance companies don't offer it. If your community's policy does not include defense for discrimination, the association will need to work with their attorney and pay legal costs out of pocket. We recommend all associations verify this coverage is included in the Directors and Officers policy. If it is not, reach out to an association expert agent to find another option.

We Want Your Input!

Have a question or want to see a specific topic highlighted in next month's newsletter?

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An Owner's Burning Question

Question: My unit was damaged. I notified my association, but I don't know what to do next.

Answer: One of the first steps in any claim situation is to notify the association and/or the community manager about the incident. Once the association is notified of the claim, it allows the association to manage the claim and reach out to the association's insurance agent for guidance. Even if the damage amount is not determined, the association's Board can begin to decide if a claim needs to be filed on the association's policy.

After the HO6 carrier has been notified and an adjuster is assigned, the owner will work with the adjuster and hired contractor to determine the damage amount. Owners need to get their own carrier involved to get a claim started. It's important to keep the association's claim point of contact informed on the damage estimate and repair progress. Involve the association early to prevent claim delays, especially if the association needs to file a claim against their policy. Delayed claims are problematic for an insurance company. Claims need to be reported immediately after an incident for all parties involved. Claims filed weeks or months after the incident could be considered delayed reporting.

For more on this topic, click on this link: ***Policy Provision: When do Claims Need to be Filed? Claims Reporting Provision***, November 2022.

Q&A

Update of the Month: Washing Machine Hoses

Calling all owners and associations! When was the last time unit owners were asked to replace washing machine hoses? If it has been more than five years since the community requested or mandated owners to replace them, it's time. Washing machine hoses and drains can easily become cracked, broken, or clogged. This creates backups and water damage to units and possibly to neighboring units.



Association Boards need to be specific about replacements. As an association, investigate and research the best brands and products. Specify high quality replacement parts and require owners to use those products.

Go the extra mile now and save owners from expensive and frustrating future claims. Water damage events are preventable, and each owner needs to do their part to prevent an incident.