

# HAPPY Thanksgiving



## November 2023 Newsletter

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### The Importance of an Insurance Resolution

An insurance resolution is a document that clarifies the insurance requirements and guidelines for a community and owners when the governing documents are not clear. The resolution could outline coverage and deductible responsibilities along with claim notification requirements and expense allocations. An insurance resolution doesn't always require a Board vote to implement. However, we strongly urge associations to seek counsel from an association attorney. The attorney can help draft and review the document, to make sure it does not contradict the governing documents. The final step would be to ask for final comments from the association's insurance agent.

Clarifying the deductible is a crucial part to the resolution. It can spell out who is responsible for the association's deductible. Within the deductible section, the resolution includes direction for claims involving one or more units, along with negligent and non-negligent situations. When the governing documents don't list responsible parties, this could mean the association is responsible for the deductible as a common expense. Association insurance companies utilize per unit deductibles more frequently to help offset the high dollar amount of claim activity. With no resolution in place, a per unit deductible could be extremely problematic for a community and create confusion with regards to deductible responsibility.

Coverages like flood and earthquake should be defined within the resolution, even if your community doesn't currently have the coverage. Coverage could be included at a later time or re-evaluated by a future Board. This could cost the association more money in the long run if the resolution needs to be rewritten. The earthquake deductible should be assessed to all owners and not specifically to damaged units. The insurance resolution can clearly define the deductibles of catastrophic coverage.

Not all claim expenses are covered in a claim. Some insurance companies do not pay claim expenses if a community manager handles the claim details. Claims management is often outside the contract of a community manager's daily duties. If the Board does not oversee the



claim management themselves, additional expenses could be incurred. The insurance resolution can help define claim expense responsibilities if the insurance policy does not provide coverage. It is possible the owner's HO6 policy could pick up uninsured expenses not covered by the association's policy.

If your community already has an insurance resolution in place that's great! Resolutions should be reviewed every seven to ten years or during major policy changes. If you do not have this document in place, reach out to your community's insurance agent and attorney for help.

**State of the Insurance Market  
Zoom Webinar  
January 10, 2024  
5:00 pm**

Stay informed on the current insurance market and find out what to expect as we go into the 2024 renewal process.

RSVP to [association-news@abipdx.com](mailto:association-news@abipdx.com). Watch your email for more details.

**SAVE  
the  
DATE**

## Loss Prevention: Turkey Fryers & Deep-Fried Turkeys

Deep frying turkey is a popular favorite during the Thanksgiving holiday season. But, if you're not careful, frying a turkey can ruin your Thanksgiving, too. You've no doubt seen videos of people accidentally starting fires with their attempts. In some cases, families have even lost their homes. Deep-frying in a community with homes close together poses bigger risks and life safety concerns.



1. Find a safe place to cook. Don't ever set up a fryer any closer than 20 feet from your home, garage, or any other structure. Make sure the area is flat to keep the fryer from tipping, and never put it on a deck or other flammable surface. If there is not sufficient space to accommodate, please refrain from this cooking option.
2. Don't use too much turkey. You don't want to drop a 20-pound bird in your fryer; it's just too big. Keep your turkey to 12 pounds or less, don't stuff it and make sure it's completely thawed and dry.
3. When it comes to the oil, use something with a high smoke point (for example, canola or safflower) and do a test with water beforehand to figure out how much you need. Too much oil can create a larger hazard.
4. Use caution when it's time to cook. Gently lower it into the oil and continue to watch as it cooks. Never leave a cooking turkey unattended. Keep an eye on the oil temperature to make sure it doesn't get too hot. Watch the clock, because you want your turkey to cook for about 3-5 minutes per pound. And watch kids and pets so they don't get too close to the fryer.
5. Always have an operable fire extinguisher present — preferably a multi-purpose model with dry powder. Don't ever spray water on a fryer fire. And, if a fire starts, call 911 — quickly.

There are many other, less risky cooking options for your holiday meal. Educate your community on proper cooking and the risks of this method to prevent a loss.



### 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:** Our Condo/HOA Association does not insure our individual units. How much insurance do I need for my unit?

**Answer:** Insurance for an individual unit has coverage through an owner's HO6 policy. In the HO6 policy, the dwelling limit will be significantly higher since the unit will be insured. Insurance agents usually have access to software that can determine building cost estimations and replacement cost values for damaged units. Depending on the quality of materials in a unit, the average replacement cost per square foot is \$200-\$300. Higher value materials can increase the amount an owner would need to insure. Owners who insure a unit still need loss assessment coverage for common areas. Loss assessment is insurance for common areas which is the responsibility of all owners. This coverage can assist in the owner's share of responsibility for the common area damaged in an insurance loss.

# Q&A

## Update of the Month: Security Cameras

Package thieves, vandalized property, slips and falls all caught on camera. In an ideal world these incidents would be recorded. Today's technology makes it possible to do that.

Security cameras are not feasible for every community but if installed properly can provide helpful details in a loss situation. Slip and fall accidents that occur in parking garages, trash areas, lobbies, sidewalks, and other high traffic areas are the most common incidents caught on camera in a community. Vandalism and theft have also increased insurance loss risk for some communities.



When a loss occurs, an insurance company can review video footage of an incident. The footage may help support facts and defend an association in a loss situation.

Security cameras can be a financial burden for any community and their use should be discussed with owners. When an incident occurs, owners can take a proactive approach and share any evidence recorded on a Ring or dashboard camera installed on their own property. The details recorded could help provide information in a loss situation. Associations must be careful not to invade the privacy of unit owners and should always follow all local, state, and federal laws when using cameras. When used properly, this technology may be a helpful loss prevention tool.