



June 2024

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Loss control: Why are carriers not offering renewals?



Loss control, also known as risk management or loss prevention, is a process used by insurance carriers to reduce the chance a loss will occur. Part of loss control includes property inspections. Most carriers order property inspections to be completed at regular intervals, for example, every year, every three years, etc. Carriers may also schedule inspections after a property damage claim has been completed and the property has been repaired. The hired inspector visits the property, sometimes with the property manager or a board member and asks questions about the association. Then the inspector completes an inspection survey report and sends the report to the carrier for review. The carrier decides if they will require any of the inspector's findings to be rectified by the insured. If so, the insurance agent advises the property manager or board to complete the recommendations.

Most carriers require a response within 30-45 days after receipt of the loss control notification. Typically, the response must include estimated timelines for completion of the requirements. Some of the requirements might include the following:

- Trim overgrown trees away from the sides and roofs of buildings to avoid a fire hazard.

- Inspect and repair or replace stained or deteriorated roofs to avoid leaks and water damage.
- Repair or replace paved surfaces to protect against trip hazards which can result in liability claims from injuries.

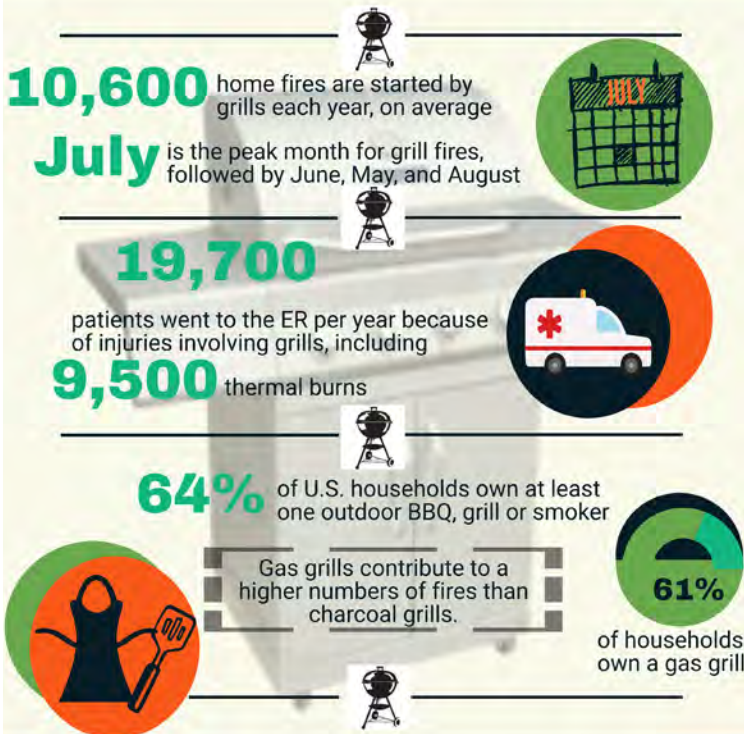
Because of the industry-wide challenges in the current insurance market, most carriers have tightened their eligibility requirements. They have become more selective about the clients they accept because the current reinsurance supply does not meet the current demand. Now, more than ever, carriers do not want to insure associations that cannot complete their loss control requirements in a timely manner. These associations are considered high-risk and often fall outside the carriers' requirements. If an association receives a non-renewal or cancellation notice because they didn't comply with loss control recommendations, competitive rates in the current market may be hard to find and the association is likely to see a significant premium increase.

To avoid a non-renewal notice, associations must comply with loss control requirements as quickly and thoroughly as possible. Continued property maintenance is one of the best ways to avoid loss control requirements from a carrier, as well as make the community safer for everyone to enjoy.



What owners need to know

Grilling season is here. To help protect your community from an accidental fire, keep a grill or fire pit at least 10 feet away from a building or structure. What is the peak month for grill fires? See the answer below from National Fire Protection Association.



Dealing with graffiti



Graffiti is often a common sight in many neighborhoods. If you are looking for ways to reduce graffiti, here are a few suggestions to consider:

- If you happen to see someone defacing property, don't try to stop it yourself. Call the police immediately and report vandalism in progress. Make a mental note of as many details as possible about the perpetrators—how many, what age, male or female, distinctive clothing—that will help police.
- Encourage your neighbors to do the same—watch for and report graffiti vandals.
- When graffiti appears on your property, photograph it before removing it. Record when and where it appeared, when it was removed, the cost and other relevant information. Share your documentation with the police and insurance agent.
- Remove graffiti immediately. “Taggers” gain more notoriety the longer the graffiti remains. Removing it quickly sends a message that you care about your community.
- Install good lighting in areas vulnerable to graffiti.
- Plant shrubs or climbing vines in graffiti-prone areas. Or replace the walls with hedges.
- In problem areas where graffiti reappears regularly, try applying a layer of clear paint or silicone coating over painted surfaces. This will make cleaning future graffiti much easier.

Working together, you can reduce this problem in your community.

Update of the month: Sidewalks

Are the sidewalks safe in your community? As the weather improves, many of us want to get outside and walk. If not properly maintained, cracked or uneven sidewalks can become a trip hazard. This also poses a liability concern for your community. In addition to safety and liability, other reasons to fix or repair a sidewalk include:

- Curb appeal – A well-maintained sidewalk can improve the curb appeal of a property and may increase the property value.
- Accessibility – Repaired sidewalks help everyone navigate the neighborhood safely, including individuals with disabilities.
- Ecological impact – Sidewalks with cracks can contribute to water runoff and erosion. A properly maintained sidewalk can help reduce this damage.

In some cases, raised or gapped sidewalks can be repaired instead of replaced. If sidewalks in your community need attention, contact a contractor to inspect them and make recommendations.



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