



# MARCH 2025 NEWSLETTER



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## Did you receive a non-renewal? What to do.

Receiving a non-renewal notice on your association's insurance policy can feel overwhelming, but it's not the end of the road—it's a signal to act quickly and strategically. Whether the non-renewal is due to claims history, wildfire risk, aging infrastructure, or changes in underwriting guidelines, the key is to stay calm, get organized, get ahead of the timeline, and set clear expectations with homeowners.

If your association isn't already working with a **specialty insurance broker** who focuses on community associations, now is the time to find one. Brokers with this expertise understand the nuances of HOA and condo coverage, have access to the right markets, and can help navigate challenging renewals. A good broker also keeps the Board and owners informed throughout the process, preparing them for what may come up during renewal.

Once you receive the notice, don't wait—start the process immediately. Insurance submissions take time, and several documents must be gathered before your broker can market the account effectively. These may include:

- A copy of the non-renewal notice
- The full current policy and endorsements
- Loss runs (5 years of claim history)
- Updated budgets and reserve studies
- Roof age and system details (plumbing, HVAC, electrical)
- Recent board meeting minutes or inspection reports

In today's tighter market, carriers are asking more questions and taking longer to respond. Delaying the process can lead to gaps in coverage or less favorable options. Even if your policy doesn't renew for a few months, starting early gives your broker time to present your association in the best light. **Bottom line: don't panic—but don't delay.** If you need help reviewing options or finding the right partner, visit resources like [www.caioregon.org](http://www.caioregon.org) to connect with experienced providers.

## Owners Question

### My neighbor caused the claim by leaving his water running which affected my unit. Who pays the deductible?

**A:** When negligence is involved in a claim—such as a unit owner leaving water running and causing damage—many associations with an insurance resolution in place have language that holds the negligent owner responsible for the association's deductible. If your unit sustains damage, it's often best to report the loss to your own insurance carrier to avoid delays in repairs, even if another party was at fault. Your insurer may later pursue recovery (subrogation) from the responsible party insurance carrier. The association's governing documents and insurance resolution are key in guiding the Board on how deductibles may be allocated. If you're unsure, it's a good idea to verify whether your community has an insurance resolution in place—this can help clarify responsibilities and streamline decision-making when claims arise.



# Understanding Roof Leaks and Insurance Coverage



Roof leaks are a common headache for both homeowners and associations, but whether they're covered by insurance depends on the cause of the leak and the type of policy in question. Here's a quick breakdown to help you understand how coverage might respond.

## Property Policy Coverage

A property policy covers damage to the building itself—but only under certain conditions. If the leak is due to wear and tear, aging

materials, or poor maintenance, the property policy may not provide coverage. Insurance is designed to cover sudden and accidental damage, not long-term deterioration.

However, if a windstorm or weather event causes shingles or roofing materials to tear away, which then allows water to intrude, this is typically considered a covered peril under the property policy. In this case, the damage caused by the resulting water intrusion could be covered—both to common areas and, depending on your governing documents, to affected units.

## Liability Policy Coverage

When the property policy denies coverage—often due to issues like deferred maintenance or gradual wear—the next consideration is whether the association may bear liability for the resulting damage. If it's determined that the association was negligent in fulfilling its maintenance duties, such as failing to address known roof issues or delaying necessary repairs, the liability policy could come into play to cover damages.

Conducting annual roof inspections is a proactive step in protecting the association. However, inspections are only beneficial if identified problems are addressed promptly. Delays in maintenance after known issues are documented can increase the association's exposure to liability.

As always, timely documentation, clear communication, and reporting are essential. Boards should be familiar with the community's governing documents and any insurance resolution on file, as these provide the framework for determining responsibilities and guiding decision-making when claims arise.

## Update of the month: Water Heater Drip Pans

Installing a water heater drip pan is a small but impactful upgrade that can help condo owners prevent significant water damage—especially in multi-story units where a leak can quickly affect neighboring homes below. A drip pan sits beneath the water heater and is designed to catch slow leaks or overflow, channeling water safely to a nearby drain through an attached pipe. While the pan itself is relatively inexpensive (typically \$15–\$50), proper installation requires lifting the water heater and connecting a drainage line, which may bring the total cost to around \$150–\$300 if handled by a licensed plumber. This preventative measure is a great example of good maintenance etiquette, to protect not just your own unit, but those around you. For even greater protection, consider adding a water sensor or automatic shut-off valve that can alert you or stop the flow of water at the first sign of a leak. The less claims, the better chances the community can keep their premium competitive.



## Industry Events

April  
2



### Western OR "Membership Drive"

Bring a new member to this event and be entered into a raffle! Support CAI's growth!

April  
11



### Western Oregon Luncheon

How to find and cultivate Talent in your association! Monthly education luncheon.

May  
1



### CORC-Axe Throwing

A fun event and chance to network with chapter members and attendees

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