



# APRIL 2026 NEWSLETTER

## Risk Strategy – Shouldn't Maintenance Cost More Than Insurance?

Community associations have been facing rising insurance premiums, enough to demand attention. But there is a bigger question worth asking: should insurance really be one of the largest line items in the budget, or if communities invested more in maintenance, could insurance costs decrease?

The theory comes from analyzing risk and understanding that many claims are preventable. How? Through maintenance. This includes both the association's responsibility to maintain common elements and the owners' responsibility for the interior of their units. When both sides are aligned, risk is reduced at its source.

Longer term maintenance costs are typically outlined in the reserve study, but it can be difficult for associations to fully see the impact of repeated expenses tied to roof leaks, siding failures, or deteriorating decking. These "patch and repair" costs add up over time and can quietly exceed the cost of completing the full project. Delaying larger repairs introduces greater risk to the community, often leading to more frequent claims and increased financial burdens. What feels like a smaller expense now often adds up to far more overtime, and in many cases, it would have been the better financial decision to complete the project from the beginning, especially if insurance costs are later impacted due to increased risk.

The challenge is that once insurance costs rise, the association is already in a compromised position. Higher premiums, larger deductibles, and more restrictive coverage options do not replace the need for repairs; they exist alongside them. Communities then find themselves playing catch up, working to bring the property back to a level that meets preferred insurance market standards.

This is where a shift in mindset becomes critical. Maintenance should not be viewed as an expense to minimize, but as a core risk management strategy. In many ways, maintenance is the first and most controllable layer of insurance. Associations that prioritize it are not only protecting their physical assets, but also their financial future.

Owners play a role in this as well. Whether a unit is their forever home or their home right now, it is in everyone's best interest to maintain the property. Clear expectations and shared responsibility between the association and owners create stronger, more resilient communities.



## Coverage Corner: Cyber Insurance- What's it all about?



Cyber insurance is designed to protect organizations from financial loss related to data breaches, cyberattacks, and other technology-based risks. For community associations, this exposure is more than one realizes because of the exposure between having consumer data and being a business. Associations transmit so much information such as owners contact details, payments and other specific sensitive data. A single incident can lead to significant financial loss, legal exposure, and disruption to operations, making cyber coverage an important consideration.

Cyber Insurance can be purchased as a stand-alone policy or sometimes endorsed through a package policy or through the Directors and Officers (D&O) policy. A standalone policy typically provides broader and more specialized protection,

including higher limits, dedicated breach response services, and coverage for items like forensic investigations, notification costs, and cyber extortion. Endorsements are going to limit coverage and have significantly lower limits. While endorsements can be a good starting point, associations should carefully evaluate whether the level of protection aligns with their actual exposure and risk tolerance.

## Owners Question

# The bylaws state that I am responsible for maintaining the sprinkler line within my unit. What should I know?



Fire sprinkler systems are a critical life safety feature, and it is essential they function properly when needed. Regular inspection and maintenance should never be overlooked, with annual servicing typically recommended. If you are responsible for the sprinkler line within your unit, it is important to stay on top of inspections and communicate completion to the Board or management. This documentation can be valuable for insurance purposes.

**Attention Associations:** Consider taking a more proactive approach by coordinating annual sprinkler inspections across all units. Relying on individual owners can create gaps, and even one unmaintained system can impact the safety of the entire community. Centralizing this process helps ensure consistency, supports insurance expectations, and most importantly, protects lives.

## UPDATE OF THE MONTH: How Old Is That Hose?

Throughout the home, several appliances rely on small water supply hoses, and they are one of the most common sources of preventable water losses. These hoses age over time and can fail without warning. Replacing them before an issue occurs is a simple way to prevent a claim. At a minimum, regularly check for signs of corrosion, cracking, or aging rubber.

**Washing machine hoses:** 3–5 years for rubber; 5–10 years for braided stainless steel (\$20–\$40)

**Dishwasher supply line:** 5–10 years depending on material (\$20–\$50)

**Refrigerator water line:** 5–10 years; braided lines are more durable (\$15–\$40)

**Faucet supply lines:** 8–10+ years or during fixture updates (\$10–\$30)

These small components are easy to overlook, but replacing them proactively is a simple way to avoid a claim. And that's a win!



WESTERN OREGON CHAPTER  
**community**  
ASSOCIATIONS INSTITUTE

### UPCOMING EVENTS

APRIL 15	WESTERN OREGON CHAPTER <b>CEO MINDSHARE</b> 11:30 AM - 1:30 PM
APRIL 30	CENTRAL OREGON CHAPTER <b>SIMULATOR GOLF</b> 4:00 PM - 7:00 PM
MAY 08	WESTERN OREGON CHAPTER <b>MONTHLY LUNCHEON</b> 11:30 AM - 1:00 PM

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