



# MAY 2026 NEWSLETTER

## Wildfire Risk: Planning for Today's Reality

This winter fell short in providing the moisture needed to reduce wildfire exposure across Oregon. Snowpack levels came below normal, particularly east of the Cascade Range, and that has real implications as we move into fire season. Insurance carriers are paying close attention, using brush and wildfire risk scores to evaluate communities, especially those with dense vegetation or landscaping that is overhanging or in contact with structures. Wildfire risk will impact our entire state, and communities should be thinking about the role they play in reducing exposure to that risk.

The conversation for communities is shifting toward more intentional planning around defensible space. While trimming landscaping is a starting point, the deeper discussion is around how fuel behaves in zones around structures and how fire could realistically move through a property. Some communities, particularly in higher-risk states like California, are exploring broader strategies such as fuel breaks to reduce the ability for fire to spread across an entire development.



Zone	Distance from Structure	Primary Focus	What It Looks Like in Practice
Zone 0	0–5 feet	Ember-resistant / noncombustible	Hardscaping, remove all combustibles, prevent ember ignition
Zone 1	5–30 feet	Lean, clean, green	Reduced fuels, spaced plants, pruned trees
Zone 2	30–100+ feet	Fuel reduction	Interrupt fire spread, lower flame height

At the same time, attention is turning to the buildings themselves. Materials matter and play a direct role in reducing risk. Roofs, vents, siding, and small design details can significantly influence whether embers ignite a structure. While some improvements can be made quickly, others are longer-term, which raises a bigger question:

Should wildfire hardening materials be integrated into your communities reserve planning to strengthen your community's insurability profile?

Programs like Firewise USA are also gaining traction, providing a framework for communities to assess risk, implement mitigation efforts, and demonstrate a coordinated approach to wildfire preparedness. This type of engagement not only improves safety but is also becoming valuable in conversations with insurance carriers as communities demonstrate active risk management.

That alignment between capital planning and insurability is where the conversation is heading, and it may be one of the most important shifts communities can make moving forward. Utilizing your association's reserve study to strategically strengthen your community can make all the difference.

### Owners Question

## Will a D&O policy cover an association if it is underinsured on its property insurance?



**A:** No. A Directors and Officers (D&O) policy is not designed to replace or supplement property insurance. It does not cover a shortfall when a building is underinsured. The property policy should be evaluated to ensure limits are adequate, typically aiming to cover 100% of the replacement cost of the buildings.

## Coverage Corner: Vacancy Clauses

Both unit owner and association policies include conditions around vacancy, and they matter more than most communities realize. Many carriers apply a vacancy clause once a building reaches around 30% vacancy or when units sit unoccupied for a period of time. When that threshold is crossed, coverage can shift quickly. Losses such as water damage, vandalism, or theft may be limited or excluded. From an underwriting standpoint, vacancy increases risk because issues go unnoticed and damage becomes more severe. Carriers are not interested in absorbing avoidable loss tied to prolonged or undetected conditions.

This becomes more complex for condominiums and HOAs. A community may feel occupied overall, but investor-owned units, renovations, gaps between tenants, or unsold units in new developments can all contribute to vacancy levels that impact how a claim is handled. This should be on the Board's radar and part of risk management planning.

It also raises a key question: are we tracking occupancy trends closely enough to know when we are approaching a threshold that could affect coverage? Carriers often ask about rental percentages and may evaluate seasonal or short-term rentals as part of vacancy exposure.

Vacancy is not just a leasing issue. It is an insurance condition that can directly impact coverage and the financial outcome of a loss for the entire community.



## Update of the month: Sewer Lines

Sewer scope inspections use a small camera inserted into the main drain line to evaluate underground piping. They identify cracks, root intrusion, offsets, corrosion, buildup, and early signs of failure that are not visible from the surface but often lead to costly water and backup claims. This is especially important for condominiums and HOAs, particularly in older properties or where shared lines serve multiple units. Costs vary by community size, so obtaining bids and incorporating this into reserve planning is recommended. Inspections are generally advised every 3 to 5 years, or more frequently for communities with prior issues or aging infrastructure. Proactive inspections help plan repairs, reduce unexpected losses, and support long-term maintenance and insurability.



### Upcoming Events

MAY  
20

WESTERN OREGON CAI - VIRTUAL EVENT  
**Round Table -  
Sustainable Landscaping**  
6:00 PM TO 7:00 PM

MAY  
27

WESTERN OREGON CAI  
**Salem Outreach  
Event**  
2:00 PM TO 4:00 PM

JUNE  
05

WESTERN OREGON CAI  
**Monthly  
Luncheon**  
11:30 AM to 1:00 PM

JUNE  
25

CENTRAL OREGON CAI  
**MEMBERSHIP  
SOCIAL**  
5:30 PM TO 7:00 PM

## SARA EANNI, CIRMS, MBA




Reach out to us and let us know what you're thinking.

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