

Central Oregon Regional Chapter of Community Associations Institute

NEWSLETTER

Fourth Quarter 2023

Table of Contents

Page 1: State of the Insurance Market and Budget Impacts for Community Associations

Page 2: Word On The Street

Page 3: State of the Insurance Market and Budget Impacts for Community Associations – continued

Page 4: Don't Let Your Next Annual Meeting Fall into Madness

Page 5: President's Message

Page 6: Vendor Spotlight

Page 7: Don't Let Your Next Annual Meeting Fall into Madness – continued

State of the Insurance Market and Budget Impacts for Community Associations

It's no secret that the insurance market has firmed greatly over the last several years. Frequency of severe weather events, civil unrest, anti-corporate sentiment, labor issues and increased claims cost are just some of the factors that are driving pricing up for community associations throughout the country.

Although there are many considerations when looking forward and establishing a budget for insurance increases, a few key items should be remembered when thinking about next year's renewal for your community.

LIABILITY:

Several coverages fall into the "Liability bucket" for planned communities, including General Liability, Auto Liability and Liquor Liability. Even though it doesn't come into play as frequently as primary GL, one of the biggest increases seen recently has been Umbrella coverage. Social inflation has led to massive jury awards over the last few years, which drives up claims cost. Carriers are now pricing their Umbrella coverage as "usable" insurance, rather than a safety cap that is rarely utilized. We believe this trend will continue to push Umbrella pricing up, making it one of the most expensive coverages for communities.

PROPERTY:

Condo associations and those communities with additional owned amenities, like Club Houses or Fitness Centers, have seen increased Property rates creep up over the last few years. This trend will continue after another bad season of catastrophic weather events.

The year 2022 saw 18 separate catastrophic weather events over a billion dollars, most of which were related to wind and rain, rather than wildfire. Reinsurance costs passed down to carriers jumped up, pushing many direct-writer and captive carriers to leave the market altogether. Rising claim costs have made those losses even tougher for property carriers, as considerations for demand surge, labor costs, and materials remained high.

Continued on Page 3

Word On The Street

Education

HOA Horror Stories

Combining Education and Entertainment

Ashley Yorra of Vial Fotheringham captivated the audience with an engaging presentation that blended education and entertainment, featuring some remarkable stories, including one that made national headlines in Bend. Attendees had the opportunity to share their own experiences and engage in a meaningful discussion on how to manage similar situations within their respective associations. Thank you to everyone who attended and shared their own stories'.



Mark your [calendar](#) for all of the 2024 education!

Upgrade your HOA management.

Monthly, quarterly and annual financial reports

Multi-layered team so someone will always know your community

Always returns your calls and emails in a timely manner

Educated and certified Community Managers

Board support and board trainings

Work with your vendors or ours

Compliance drives plus automated fine enforcement

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Cutting edge automated management technology

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Events Not To Miss

Kick Off Event
Ask An HOA Attorney
In Person
January 18th

Board Leader Certificate
Course
Virtual via Zoom
February 3rd

Robert's Rules of Order,
One Hour Board Meeting
In Person
March 14th

Contracts & Vendors, Best
Practices
In Person
June 20th

State of the Insurance Market and Budget Impacts for Community Associations

Continued from page 1

As Fire insurance gets more expensive, Earthquake and Difference in Conditions (DIC) coverage are picking up steam as well. Rates have been increasing rapidly, especially for communities close to an active fault. Carriers are increasing rates, lowering their capacity, and limiting coverage.

EXECUTIVE RISK:

D&O, Crime, and Cyber Liability have been relatively stable and appear to be cooling off.

In fact, rates in the Cyber insurance market are decreasing, currently averaging a reduction of 5-10% on primary policies. This is due to strict underwriting guidelines instituted by Cyber carriers over the last few years. Carriers have pushed the use of good controls for their insureds, driving claims frequency down.

Although all signs point to another rough year, brokers and carriers are equipped with knowledge that can help their insureds budget and prepare for the coming storms. The market is tough and better navigated when managers, boards, and industry partners work together to prepare for the future.

By Michael Hughes, Brown & Brown Insurance

*When it comes to community association insurance, Vern and Sara are **YOUR** knowledgeable experts.*

What you can expect from their service:

- Commitment
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Don't Let Your Next Annual Meeting Fall into Madness

In today's fast-paced world, poor planning is not just the downfall to a great annual meeting but could also spell social (media) disaster for you and your community. What better time than now to organize your annual meeting process and make you the favorite in the eyes of your community? This way you are ready to implement your new procedures and avoid a meeting that falls into madness.

HOA Board Election Process

One of the many requirements in each association's governing documents is to have an annual meeting of the owners. It is usually at this meeting that HOA/condo members elect the board of directors for the upcoming year. This duly elected board becomes the governing body for the entire HOA/condo so having a fair and impartial election where all owner's votes count is of utmost importance. Considering the number of community associations across the US is growing (there are over 19,000 owner associations in Illinois), it's important that the board election process be clear and concise.

How to Add Electronic Voting to the Mix

Since electronic voting is permitted by Oregon state statute (Real Property 94.661; Condominium 100.428) it is very easy to incorporate this into your election process and offer owners another option for having their vote count. The process follows the same timeline as paper proxies/ballots. Start by having the board adopt a resolution (see an example here <https://www.votehoanow.com/how-it-works/resources.php>) to add electronic voting as a method to accept votes. Next, work with a company that offers the type of voting service you need. It is recommended that community associations work with an electronic (or online) voting company that is specific to the HOA/condo industry as they understand the complexities of how HOAs operate. Also, it is important to look for a company that offers full-service management, not just a portal. A full-service voting company has the expertise to focus on your election to make sure you reach quorum, while relieving some of the workload from the manager or election committee and providing third-party separation. With a little preparation, your next annual meeting can be a joyful experience and you'll be the hero! 😊

Continued on page 7



Explore the Benefits of
Membership,
Join CORC CAI today -
caionline.org/JoinNow

Join A Committee

Looking to give back? A good way is to join a committee. CORC CAI is actively looking for committee members.

Commitment is approximately one to two hours a month. Contact Heather for details.

Membership Committee

Chair/Board Liaison:
Michael Hughes

Member:
Julie Hellman

Member:
Noam Amir-Brownstein

Member:
Kathy Oberst



National Events

2024 Law Seminar
February 14-17, 2024
Las Vegas, NV

Annual Conference
May 8-11, 2024
Las Vegas, NV

Large Scale Managers
Workshop
September 11-14, 2024
Montgomery County, MD

CEO-MC Retreat
October 16-19, 2024
Tucson AZ

CAI National Events
www.caionline.org/Events



Bill Anderson
2023 Central Oregon Regional
Chapter of CAI - President

Chapter President Message

With each newsletter, I have struggled to write a message that is both inciteful and entertaining for you. This instance was even more so the case. I thought I might turn to AI to see if it could produce a president's message that could be used. If you have not done so yet, I highly encourage you to venture into this area and see what it can produce. I have heard from multiple peers, that this has saved them many hours of time and that none the wiser that the service was used. For my final newsletter of the year and my term as president I leave you with the following, produced by ChatGPT:

Dear CORC Family,

As the holiday season unfolds, I am filled with gratitude for the incredible journey we've shared this year. Your unwavering enthusiasm and dedication have made each success even more meaningful.

This festive season, let joy and camaraderie light up our days. Together, we've created a tapestry of achievements, and as we celebrate, let's cherish the moments of laughter and togetherness. Looking ahead to the new year, I am excited about the endless possibilities that await us. Your collective spirit and positivity continue to drive our success.

Thank you for your vibrant energy and commitment. Wishing you a holiday season filled with joy, warmth, and delightful moments. Cheers to a bright and promising future!
Warm regards,

-Bill Anderson
2023 Central Oregon Regional Chapter of CAI - President



Vendor Spotlight



How can The Management Trust help our CAI Members?

The Management Trust supports CAI Members by offering tailored community management services with expertise, customizable solutions, cutting-edge technology, compliance/risk management, and financial stewardship.

Share your thoughts on how your company is different from others?

Our decades-long reputable history, being the only 100% employee-owned company in the field, and a focus on sustainability set us apart.

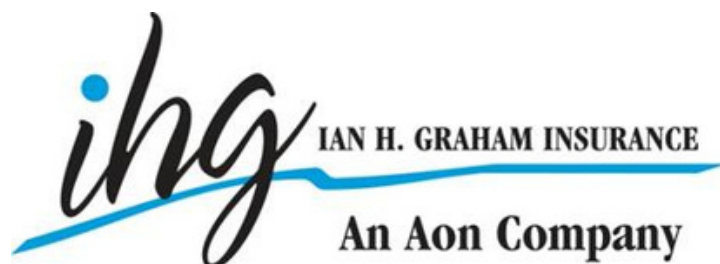
Make it fun – What's a fun fact about The Management Trust?

We don't just manage communities; we actively build them. From supporting charities like USO, Ronald McDonald House to nurturing local agents through our Realtor Education program, we're committed to community engagement.

Announcing Hybrid Events for 2024

Join CORC CAI events with our new hybrid event model. Every educational event will be offered with a virtual option for attendees who live outside of the Bend area.

We encourage sharing [this flyer](#) with your communities to help us get the word out.



Be A CORC Sponsor

Sponsorship Opportunities are available.

Contact CED Heather Brownson at 541-719-8224 or corc@caicentraloregon.org for more information.

2023 Sponsorship Opportunities

caicentraloregon.org/sponsorship

[2024 Sponsorship Opportunities active!](#)

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Colleen Chesbrough

Member:

Karma Prajzler

Board Liaison:

Bill Anderson



Don't Let Your Next Annual Meeting Fall into Madness

Continued from page 4

Tips for a Successful HOA Board Election

1 Check your state statutes for specific requirements for Non-Profit Corporations and HOA (Common Interest) or Condominium board elections.

Here's some links you can use:

[Non-Profit Corporation](#), [Real Property](#), [Condominium](#)

Keep in mind there may also be Administrative Codes that may apply. Some items to look for include:

- ✓ when the meeting notice needs to be sent (how many days before the meeting)
- ✓ if the notices must be mailed or if they can be emailed
- ✓ if the vote has a secret requirement
- ✓ the minimum quorum requirements to hold a meeting
- ✓ which types of proxies can be accepted, and
- ✓ parameters for an electronic vote (e.g., proxy is not needed, all votes count toward quorum, etc.).

2 Check your association's governing documents. Check both your CC&Rs and Bylaws. Look for meeting date and timing requirements, the terms of the positions, ballot secrecy, quorum requirements, if votes can be changed after submitted, is there an owner date of record of those that are eligible to vote, and if past due owners can vote, etc.

3 Make a list of all the election details in an annual meeting folder and include locations within the governing documents to reference. This should be referenced every year and include the number of homes, quorum requirement, how many ballots are required for quorum, how many directors are elected each year and the length of the terms, etc. Make sure meeting location and contact are included.

4 Creating a timeline for each item with a completed date will help in advanced planning and keep a Board on track to have a successful annual meeting. Action items include, call for candidates, receiving candidate intentions, ballots being mailed and returned.

Put all these items in a folder titled Annual Meeting and Timeline. The goal in creating the Annual Meeting Folder and Timeline for each association is to ensure all requirements are met and the process is followed correctly each year. Failing to follow the process could result in an election being deemed invalid and needing to be redone, costing the association both time and money.

Ruth Ingoldsby, CMCA®, EBP – Vote HOA Now

Chapter Contact: Chapter Executive Director Heather Brownson
541-719-8224 corc@caicentraloregon.org

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