Solivita Community Association, Inc.

March 15, 2022, 11 A.M. -12 P.M.

Insurance Workshop Questions & Answers

Please see answers in blue.

1. Is the liability policy on a "claims made" basis or an "occurrence" basis? If not on an occurrence basis, why not? How difficult will it be to transition the policy to an occurrence basis? It is occurrence based, the only policy that is claims made is the D&O policy and there is NOT an option to change that. All D&O policies are claims made in the association world but we have consistent prior coverage in place with no gaps.

2. The HOA had a $1 million claim against it. What is the status? Check out the attached claim sheet update as of January 18th of 2022. We will have another update run in the coming weeks but this shows the claims that are open or closed, what has been paid, reserved, a quick note as well. We can elaborate further on anyone of these, just let me know.

3. Do we have other outstanding liability claims? If so, what are they and for how much? What is their status? Yes, 11 of them as of 1/18/22 which is a lot. Anything that is showing OPEN in red on the attached sheet is current open and outstanding. Note there may have been additional claims filed since this sheet was done as well but those will get picked up in our updated sheet.

4. We need all data with respect to the HOA history of slip and fall claims. The attached sheet is a good resource, it shows all claims by description, any that are slip and fall will show that. The majority of the claims are slip and fall liability related claims.

5. What are the recent claims for slip and falls? Again attached sheet is in year order so you can see the most recent at the top

6. Do we get a discount if we have a safety program and sidewalk repair program set up? There is not a formal discount for these things but with the current claim history the underwriters are going to require these things be in place to even off quotes.

7. Can you tell us how the insurance carriers define a trip hazard? Anything over ¼ inch rise is considered a potential liability issue but obviously the higher ones are even worse so we recommend starting there and working back to the ¼ inch issues.

8. For each policy, detail any increase in the cost of coverage and what specifically caused the increase. The only two lines of coverage that have materially increased from 2020 to 2021 is the general liability ($88k to $340k) and umbrella liability ($7k to $158k) coverage lines. These are the ones with the worst claim history. The rest of the lines of coverage are pretty stable year over year.

9. Why did the cost of coverage increase for the umbrella insurance if there was never a claim against the umbrella policy? It is due to the general liability claims. The umbrella program sits excess of the general liability program so the umbrella premium is based off the underlying general liability premium. For most community associations we can use a Risk Purchasing Group (RPG) umbrella that is very inexpensive which is what we had Solivita insured with for years until this past 2021 renewal when that carrier non renewed the account due to the claim history on the general liability policy. This was not a surprise based on the claim history and truthfully should have and could have happened years prior. Due to this we had to go to the open market to get an umbrella quote and in that world they follow the general liability pricing. We have to provide the underlying liability pricing and the premium for the umbrella is based off the general liability premium.

10. What is the outlook for the amount of premiums for needed coverage during the May 1, 2022 - April 30, 2023, policy period? Really hard to say. The current association insurance market is a complete mess at the moment so everyone is seeing increases. Solivita though with the high claim history is in a league of their own. The claims put you in a different category and make it very difficult to project pricing on. We have high claim accounts but Solivita even outpaces those accounts. The good news is that with the massive hit last year the expectation is that we would not take another massive hit but it really depends on how the current year has gone. In a perfect world if the prior year claims closed better then expected and the current 2021-22 year was clean it would help us negotiate with the current carrier for better terms or any other carrier. As you can see there has been continued slip and fall issues at Solivita so we cannot say it has necessarily turned a corner yet but I do see leverage points with the carriers in terms of retention and claim cost. I can explain better on the phone but with this being a May 1st renewal we will know in short order, better to wait a few weeks and get a better idea then me guessing at this juncture.

11. How many carriers did you get quotes from for this year's policies and who were they? Pages 18-19 of the proposal from last year show a snapshot of the different general liability and umbrella liability carriers we approached for quotes and what their responses were. This was just a sampling of the markets we went to. We will provide this again this year. We do not leave any stones unturned, we go to all the possible markets that would consider the risk.

12. If the HOA allows a homeowner to use landscape stone in a flower bed, will that impact the HOA insurance? No

13). Provide detailed loss runs for the past 5 years from our previous insurance carriers. Check out attached spreadsheet which will probably be easier to dissect/review then the actual loss runs but we can provide those as well if desired.

14). Explain why form CG 2004 is not on the policy. If it is on the policy, I would inquire why it is not being applied. – I will have to look into this one and get back

15. Provide a full copy of all policies and coverages – these have been provided and are on file with the management. If we need to provide again we absolutely can.

Respectfully Submitted by,

Raj Hanooman

Brenda Taylor
Brenda N Taylor
President

Michael Luddy
Vice- President

Glenn Larson
Glenn Larson
Secretary/Treasurer