

ABI Insurance | December 2020 Newsletter

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Top 3 Reasons Claims Don't Go Smooth

1. Owners forget to notify the Association

If the association insures any part of the building or unit, the Board or Community Manager that represents the association needs to be made aware immediately as their policy may be primary after the association's deductible. If the damage exceeds that, the Board can have more time to decide to file a claim or not which helps the process go smoother.

2. Not using reputable contractors

Contractors that do not understand the community association claim process can often become upset when there are delays in the construction project or financial payment processes. Using contractors that are very familiar with the claims process have more flexibility and patience for delays. The typical consequence of not using a reputable contractor is the threat of having a lien put on your unit because the association's carrier is still processing the claim. The association's carrier has a right to do their own investigation and if the association was not notified in a timely manner, this will upset contractors demanding to get paid.

3. Lack of Communication

Communication on all parties' parts in a timely fashion is key to a claim running smoothly. One of the most common reasons there are delays is that adjusters, owners, contractors, and managers go on vacation and do not have someone to monitor or assist in the claim as back up. To also help everyone be on the same page, updates on claims between all parties is very helpful for everyone to stay happy and understand expectations. Make sure to set that expectation with the adjuster and the contractors. *Always reach out to your insurance agent for help when the first signs of a claim are going unfavorable!*



Burning Owner Question

Q: Why do I as an owner need to collect a contractor's insurance that I hire. What does that have to do with the association?

A: If the association insures the building/units and a contractor does something to cause a claim, having the insurance information is extraordinarily helpful so that they can be held financially accountable for the damage caused. If the association's carrier cannot financially recover from the loss, the association tends to have higher premium potentially resulting to owners in higher dues. Insurance carriers do require that insurance certificates be collected from contractors and please remember to request that the contractor add the association as an additional insured. This last part is very important!



Loss Prevention: The spaces we do not think to check

As life gets busy, we do not always think to check the dark places under the cabinets, closets, under appliances or in our crawlspaces. Checking in these places frequently, will help discover a potential problem and its damage sooner. I once discovered in my home in a closet that there was a water pipe that went to the outside garden hose hook up. The pipe broke and was causing a small leak. I was fortunate to have very minimal damage.



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