

June 26, 2022

Insurance Discussion

- Current policy is with Cincinnati Insurance Company. Current agent is Bell Anderson who purchased Wheat and Associates
- Current policy has property coverage of \$4.7 million with a \$2,500 deductible. Liability limits are \$1 million per occurrence and \$2 million in the aggregate. No umbrella coverage. Total premium is \$7,129. Policy was for a 3 year term that ends July 31, 2022
- Policy renewed with Cincinnati Ins is for a 1 year term. Property coverage stayed the same at \$4.7 million. Same liability coverages
- The Board was concerned that the property coverage is too low considering the rising costs of building materials. (We had questioned this last year also and were reassured by Cincinnati Insurance that we were adequately covered based on the Replacement Cost estimator.)
- Cincinnati Ins reran their model and came up with \$4.9 million. Premium increased to \$8,475, a \$279 increase for an extra \$200,000 of coverage.
- It should be noted that the Board was dealing directly with the insurance agency because our Bell Anderson Agent was not at all responsive
- The Board then engaged John Naccarato from Haddock and Associates to provide additional quotes from other carriers
- John feels that we are significantly underinsured and feels that we should be insured at \$300 per square foot or a little over \$8 million. He stated that the insurance company replacement cost models are not being correctly updated for the cost of building materials, especially in North Idaho.
- John sent out our information to numerous carriers. All declined to give us a quote due to our HOA having a boat dock. In recent years liability claims arising from boat docks have risen dramatically and insurance companies are refusing to insure them.
- John reviewed our docks and our current policy insures the docks from a liability standpoint but not for property.
- So we are stuck with Cincinnati Insurance company who is the only carrier willing to write our insurance. To make matters worse, we are stuck with Bell Anderson as our agent. Turns out a company named Acrisure bought out both Bell Anderson and Haddock & Associates. As such it will be a conflict of interest if John was to "steal" the business from another company within the same corporate umbrella.

- John did meet with someone at Bell Anderson that promised to give our account to a different person who would get back to us next week to address our concerns (primarily low property coverage). John said he would stay involved until the policy is renewed.
- Harvey Meier recommended another agent, Sara Eanni at ABI Insurance, who might be able to help us out. We provided numerous information to her last week. She was hopeful that she would be able to get us some quotes before our renewal dates.
- In summary, we have about 5 weeks left on our current policy. We know we have a carrier, Cincinnati insurance, but we need to meet with Bell Anderson to raise the property limits. We also want to make sure the boat docks are covered, both property and liability. We also may want to add umbrella coverage that would increase our liability coverage. We also will continue to work with ABI Insurance to see if we can get any quotes from them. Finally, we need to come up with a fair reimbursement amount from the boat dock owners since we are not able to get competitive bids because of the boat docks. This is most likely resulting in additional monies spent by the HOA.