



**BRENTWOOD
FOREST**
CONDO ASSOCIATION

Dear Neighbors:

Please take the time to read this important letter, with more details about our community's **property insurance coverage challenges and its IMPACT ON YOU.**

Background:

Our Condominium Association insurance coverage expires on September 15, 2023 and our current provider, Auto Owners, has declined to renew. Since May, our trusted and experienced broker of record, Tabbatha Sipes of Assured Partners, has been working with BFCA to prepare us to go to market for insurance coverage.

Why does this matter?

Community associations across the country, like ours, are facing an insurance market unlike any seen in decades — largely due to **catastrophic weather events.**

And because of these events, our insurance policy premium will likely increase as much as 150%. Our only choice is to seek out the best advisers and to look creatively at how to address this unavoidable cost increase for our community.

Why is this the first I'm hearing about this?

We have discussed this situation at Board meetings since May. Tabbatha Sipes has attended as well, outlining the challenges we're facing and the current market status. In addition, email communication, Owner's portal messaging (August), and the current issue of our [ForestLine](#) newsletter (September) summarizes the state of our insurance. Until now, we have not seen a formal quote from the market to address specifics, only speculation based on the bundling our broker is working on.

When will we know the effect on our individual pocketbooks?

On September 15, when our new insurance policy will begin, we'll know the exact cost of the premium for the next 12 months. The impact on individual owners, however, won't be known until we finalize the 2024 budget toward the end of 2023; we are at a greater advantage than some other association communities because whatever the cost increase, it will be spread over our 1,425 units (according to square footage, as for all projected expenses). Moreover, with the help of CPM, our new, very experienced management company, the Board has already begun looking for every possible dollar of savings that might help offset this anticipated cost burden. Along with insurance, the items that impact the budget most significantly are water and sewer and overall buildings and grounds maintenance.

What are the top three rate-raising issues for our community?

CHALLENGE #1: *The size (1,425 units) and age (50+ years) of our association* — which deter providers from taking on the full risk of writing insurance for Brentwood Forest. So, to ensure that we have the coverage needed in the event of a total loss — a responsibility that the Board takes very seriously — we're working with multiple insurance companies, which will share the risk.

CHALLENGE #2: *The rash of climate disasters across the country and the globe.* Disasters, and their impact on property and lives, are reported with troubling frequency in the news, along with reports of insurance companies declining coverage and withdrawing from markets. Both insurance and reinsurance markets are floundering.

CHALLENGE #3: Finally, and specifically for condo associations, **insurance providers look at the history of claims** for wind and hail damage to roofs in deciding whether to offer coverage, and at what cost. In St. Louis, we're not strangers to storms and tornados. And water leaks in aging buildings and burst pipes are also of concern to insurers, along with negligence and fire-related claims. Some of these issues can be mitigated by each of us in properly maintaining our own units, while some depend on the association to ensure property maintenance

On the plus side, Brentwood Forest Condo Association has a comprehensive plan to continually address roof maintenance and replacement; we also have no claims outstanding for roofs. Additionally, our relatively new program to assess the health of the trees on our property is viewed as a plus by insurance carriers.

What is my personal responsibility?

Certainly, we can't control wind and hail; but water leaks, burst pipes, negligence and fire are items that each of us can control. **Each and every one of us — whether a resident owner, an investor or a renter — has an important role to play.** Living communally means that what I do affects you and, to a greater or lesser degree, everyone else in our community. **See something, say something.**

Must I make changes to my homeowner policy?

The master association insurance policy has covered improvements and betterments in the past, and that is expected to change. The association's by-laws (Article XVII, Section 18.3e) state: "Each unit owner shall be responsible for obtaining his own insurance on the interior and the contents of his own Unit, and his additions, improvements and betterments."

Translation? **You must carry the appropriate insurance coverage for any improvements or upgrades you have made to your condo.** Please contact your insurance agent to discuss any necessary increase to your coverage. If other policy issues that you must address arise, we will alert you quickly.

Will we continue to carry earthquake insurance?

With St. Louis situated on the New Madrid fault, the question has always been the amount of coverage, not whether we should carry earthquake insurance. Experts disagree on the probability of an earthquake that would cause damage and destruction to our community and on the coverage that we should carry. But given how the climate disasters have been happening, the board takes the position that it's better to be safe than sorry.

How can I learn more?

The webinar linked here, "[Community Association Insurance Crisis 2023](https://www.youtube.com/watch?v=2hj7zgDaLHW)," was created by the Community Association Institute, the professional organization of associations like ours. It very effectively describes the situation that community associations face today. [<https://www.youtube.com/watch?v=2hj7zgDaLHW>]

What now?

The Board is committed to keeping you up to date with communications via emails, mailings, postings on the website, Owner's portal (www.brentwoodforest.com) and the Community Bulletin Board (coming soon, see map below). We ask you to be in touch with your insurance agent to guarantee that you have the appropriate coverage on your unit(s).

If you have questions, please send an email to: customerservice@cpmgateway.com, subject "insurance" and we will reply as quickly as we can.

