



MAKE INSURANCE A PREMIUM STORY

“The sky is falling! The sky is falling!”

Chicken Little may have gotten it right this past year. Hurricanes, floods, tornadoes and other natural disasters were unleashed in record numbers across the country. While the headlines addressed the devastation and human loss, there is another story that needs to be told. As insurers make payments on the mountain of claims, insurance rates are rising across the country. Your community may have been spared Mother Nature’s wrath but there is no escaping the storm of increased premiums and the discontent that arises when community members are asked to pay increased common fees to cover higher premiums.

How can you soften the blow? Tell your members how insurance works in their community. Work with your agent or insurer to get out the information that your community members need to know. Your community newsletter is a great way to tell the story of how important insurance is and how the events in the headlines are affecting their insurance premiums.

can cover them, let alone provide competitive bids. You have undoubtedly heard the stories of communities whose rates have more than doubled from last year.

To tell the story to your community members, you need to arm yourself with the facts. The Insurance Information Institute is a great place to start. For 40 years, the I.I.I. has provided definitive insurance information and analysis. The Hurricane Insurance Information Center, established in the wake of Hurricane Katrina, provides information for disaster victims and those interested in keeping up on what restorations are being made. Of course, the Federal Emergency Management Agency (FEMA) maintains the National Flood Insurance Program. Each of these organizations maintains a helpful website.

Once you have a basic understanding of what is happening in the world of insurance for condominiums, you can relate that information to your community. It is easier to explain your community’s situation if you take the bigger picture into consideration. It is also a good idea to let homeowners know how

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Most people assume that as long as they don’t make an insurance claim, their rates will stay low. While there may be some truth to that, the sheer magnitude of loss this past year must be spread around if insurers are to stay in business. Insurance analysts study trends in claims, risk factors and other criteria to determine their rates. Can you imagine constructing a model that would include the likes of the disasters we have seen this past year?

Condominium communities are not the only insurance clients burdened with increases, nor are rate increases limited to the Gulf Coast and other areas so badly damaged. Many shoreline communities are finding it difficult to find an insurance vendor who

their insurance is purchased, how often policies are reviewed and any changes that are made to the coverage. This is also a great opportunity to explain the difference between homeowners insurance and insurance that the association provides.

Presented in the right context, an open discussion about insurance for the community will help dispel any misgivings that residents may have about paying increased premiums. They may not be happy about paying more, but they will respect the reasons and appreciate your efforts at keeping them informed.

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