

INSURANCE COVERAGE TRENDS IN COMMUNITY ASSOCIATIONS

Snap Survey

APRIL 2023

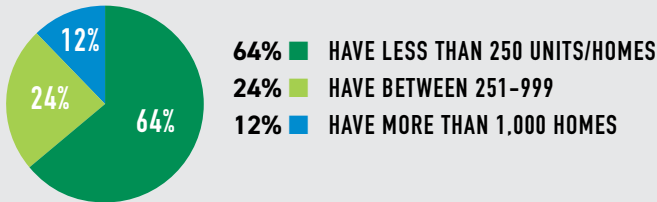
895 respondents representing at least 10,000 community associations



OF COMMUNITIES SURVEYED:

- 90% have a reserve study
- 47% condominiums require homeowners to carry individual HO-6 policies
- 28% have an insurable value appraisal
- 12% are ocean front or subject to tidal water

- 98% carry property and casualty insurance
- 98% carry directors and officers insurance
- 84% carry fidelity & crime insurance
- 46% carry cybersecurity insurance



11% of communities indicate their property & casualty coverage was canceled/not renewed.

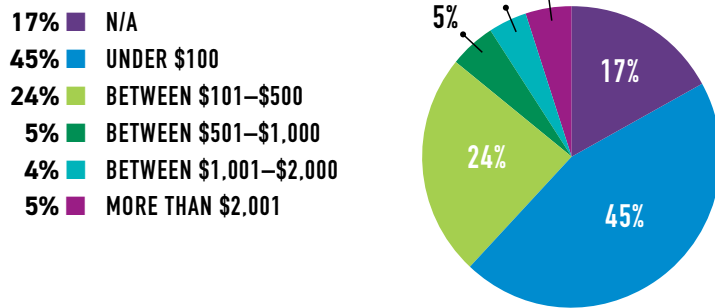
Did your property & casualty insurance premium increase at the last or current renewal?



How did you fund the premium increase?

- 50% Increased individual assessments
- 43% Used operating funds
- 7% Imposed a special assessment
- 2% Took out a line of credit
- 2% Used contingency funds
- 1% Used reserve funds
- 5% Other
- 6% N/A

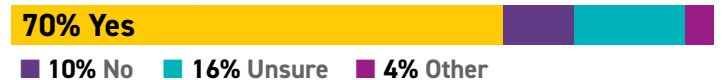
How much money per homeowner did the increase premium cost (per year)?



For renewal of property and casualty coverage, were high deductibles or per unit deductibles forced by the insurer?



Does your property & casualty plan cover at least 100% of the replacement value of property owned by the community association?



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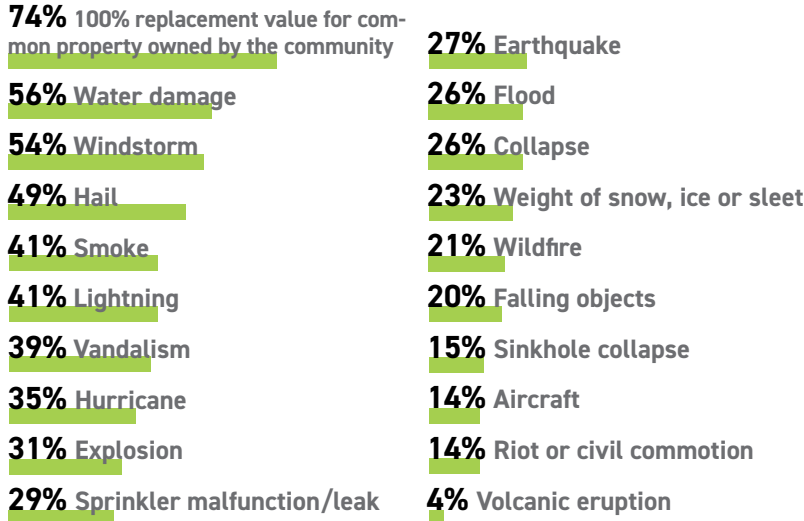


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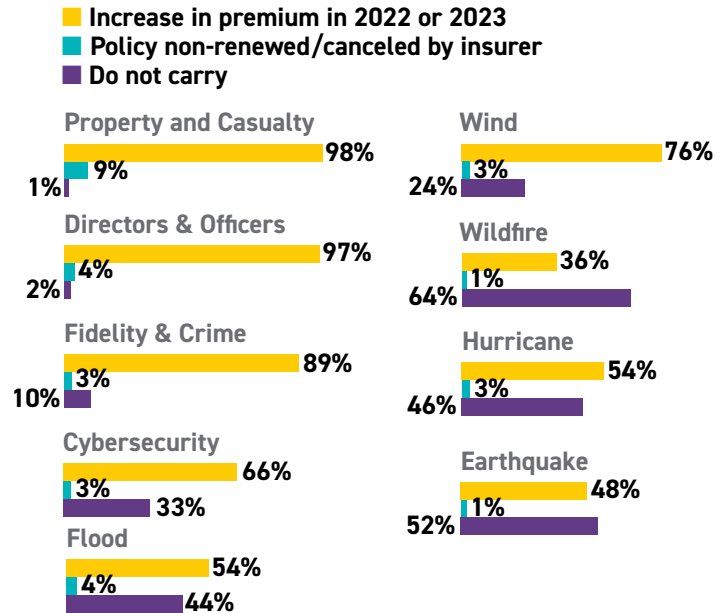
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What is included in your property & casualty insurance coverage?



What did your community experience with these policies?



RESPONSES FROM RISK MANAGEMENT PROFESSIONALS

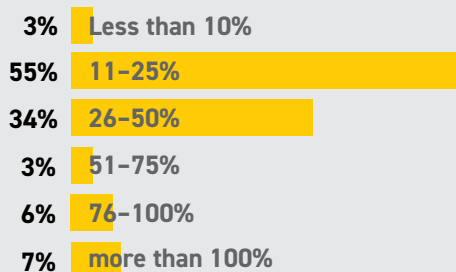
Are you experiencing a significant number of property and casualty policy cancellations among your clients?



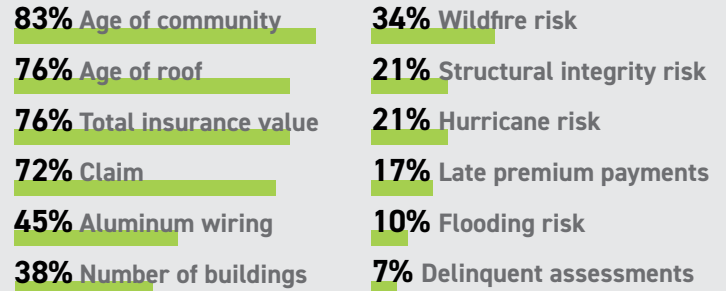
Are you experiencing a significant number of property & casualty policy premium increases for your community association clients?



What is the average increase in property & casualty insurance premiums?



What are the contributing factors to the rising premiums and cancellations?



RESPONSES FROM MANAGEMENT COMPANIES

Are you seeing a significant number of property casualty policy premium increases for your community clients?



Are you experiencing a significant number of property and casualty policy cancellations among their community clients?



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