

Donner Crest HOA
Insurance Meeting Minutes
October 19, 2023

Attendees:

HOA Strategies: Austin Guymon

Donner Crest Condominium HOA: Patty Harte (President), Noah Sternberg (Treasurer), Catherine Bullock (Projects Committee), Vee McKee (Projects Committee), Ron McKee (Projects Committee), Patti Smith, Marie Chinn, Wayne McCormack, Tatiana Bakshaeva, Jan Knaphus, Martin Knaphus, Susan Larsen, Judith Skeen, Regina Prickett, Moolamannil Abraham, Lalu George, Ahrash Poursaid, Alicin Christensen, Joe Nigro, Stephany Houghton, unidentified iPhone caller

Gibson Insurance: Mike Tingey, Brad Tingey

Minutes from August and September were approved

Insurance Update

Patty reviewed steps being taken to secure a new insurance policy and research on fire suppression systems. As we have been working to solve our insurance issues

The team is guided by 3 things:

1. Our association CCRs and bylaws, which we must act in accordance with. Patty encouraged all to review CCRs, bylaws and the House Rules. These documents are on the portal. If anyone needs assistance getting into the portal, the board can help.
2. Preserving our property values
3. Prioritizing the health and safety of our residents long term

We are also looking at minimizing the financial impact to owners where we can.

Since September 25th work has been done to secure a new policy, and that

includes determining what, if any, property improvements need to be made to secure insurance at a competitive rate. Examples:

- Sprinkler system
- Clearing of brush and trees for a fire break
- Enforcing no bbq/oven/smoker/flammable materials on patios

Joe Nigro asked a question about the pizza oven. Mike Tingey said he may be able to work with the underwriters on that. We will update as soon as we hear from Mike.

In the last 3.5 weeks we have talked to 6 insurance providers, some of which were referrals from owners. We also belong to the Donner Crest Coalition and some of those condos have given us the names of their insurers who we also contacted.

To date we have not received any quotes but we do anticipate that we will receive some in the coming weeks. The quotes take time as they involve a lot of information gathering and assessment by the various underwriters. We have compressed what should have been 120 days of searching for a provider into 3.5 weeks so far.

Based on conversations with some of the potential providers, we have also been simultaneously researching what's involved in installation of a sprinkler system. Ron McKee and Catherine Bullock, who have been assigned to a special committee working with the board, have been taking the lead on this.

We have two decisions that we still have to make and we are completing our due diligence for both.

First is whether we need to install a sprinkler system or not. If it's determined that we do, does it need to be in the entire building, including individual units, or could it just be in the garage, or the garage and common areas? This is all still under consideration.

To help with this decision, the board will be having a meeting to discuss with insurers why we would or wouldn't need a sprinkler system. We will not make a decision until we complete this due diligence and fully understand what is going to allow us the most competitive insurance premiums, while preserving our

property values and looking out for the health and safety of all owners and residents. We should have some additional information on this next week for our regular HOA meeting.

The second decision is directly impacted by number one. We need to figure out how much a new policy and, if necessary, any fire suppression actions, will cost the owners. We also need to decide if the cost will be allocated as an HOA fee increase or an assessment, or both.

The only thing we know today is the cost of our current policy and that is \$205,892.68.

We have made a \$40,568.88 down payment and we know we are on the hook for \$68,335.55 on this policy. We will be making another installment payment on Monday, October 23rd for \$16,532.38, and each month after, until we have a new policy.

We are meeting next Monday to review the 2024 budget and our goal is to have a number for you for the HOA fee increase or assessment, or both, next Thursday, October 26th, at our HOA meeting.

Catherine reviewed the sprinkler information she and Ron have researched so far. We have a person who will design the system and they have also contacted the contractors that would be needed to complete the work, if needed.

Catherine also mentioned that as of now, with our current policy, each unit is looking at and \$8000 insurance payment for the year. This is based on the \$250k+ policy we have today.

Mike Tingey said he was confident that he would be able to provide a policy without the need for a sprinkler system. He said we should have the quote about 2 days following inspector visit. Catherine asked him if the policy would be less expensive if we had sprinklers. Mike said yes but also said a system could be \$1,000,000 and we wouldn't make our money back on that. Catherine said that she received information that we would be paid back for it in 4.5 years.

Joe asked about his pizza oven. Mike said he could work with the underwriters on that as they are different than an "open flame" thing like a grill. He thought a smoker might be okay as well.

Ahrash then said that he also has a grill on the patio but he is out of town and can't move it out. He asked if removing the propane tank would be okay. Mike Tingey said it really needs to be disassembled and taken away. Joe offered to help with that.

Mortgage lender insurance confirmation requests

Patty mentioned that Marcel had received a request from his mortgage lender to provide a copy of the insurance policy. Catherine has been trying to get one from Sentry West but has not yet received. She asked Mike Tingey if this was an unusually long time to provide us with something. Mike said it is a Quota Share policy as it is 4 different insurance companies providing the coverage. He said it's not unusual for it to have taken this long. If any owners receive this request from their lender, please contact Catherine.

Master Policy Deductible increase

The new policy we currently have, includes a deductible for wildfires of \$150,000. Because of this, owners need to increase their Master Policy Deductible/Building Deductible/Dwelling deductible to \$150,000.

Mike explained the coverage changes that took place in 2012, creating the HO6 policy for condo owners, which is needed in the event there is structural damage to their unit. Your personal homeowners policy only covers only your personal property. The structure is covered by the Master Policy Deductible/Building Deductible/Dwelling deductible. The policy insures that your personal insurance will cover the first \$150,000 (you will have a deductible), and the Donner Crest Master policy will cover any damage from wildfires in excess of \$150,000.

Catherine shared that she has increased her deductible and the cost was \$88 for the year.

Open discussion

Wayne McCormack made a comment stating that he didn't feel comfortable in a building without sprinklers. Patty said that is why we are gathering information on why we should or shouldn't have a sprinkling system and will share that as we know more.

The meeting concluded at 7:50pm.

