



INSIGHT

CISA's Got You Covered!

January 2023

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Community Insurance & Risk Mgmt. Specialist (CIRMS)

We have three employees here at CISA that have this designation! The CIRMS designation recognizes a demonstrated high level of competency within the risk management profession of community association.

*Jennifer Eilert
(Commercial Lines
Manager/Sales)*

*Cindy Fitts
(Account Executive/Sales)*

*Kelly Rumachik
(Account Executive/Sales)*

WE MOVED!!! See our new address below

Contact Us

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2023 Law Changes for Condominiums and Homeowners

HB5246 The law goes into effect on January 1, 2023. Below is a summary of the changes:

1. Information requests (in writing) must be completed within 10 business days of the request.
2. The fee covering the direct out-of-pocket cost of providing and copying the requested information may not exceed \$375.
3. An association may charge an additional \$100 for rush service completed within 72 hours.

Please note that there is similar language in Section 1-35(d) of the Common Interest Community Association Act (CICAA) that is applicable to certain homeowner and townhome community associations in Illinois. However, the changes in HB5246 do not apply to Common Interest Community Associations.

Solar Panels or Electric Vehicle Chargers?

Thinking about adding solar panels or Electric vehicle chargers to your association? Please call your Account Executive at CISA to determine if coverage can be added.

Looking for Insurance? Let Us Help You Save Money

Our pricing is very competitive, submit your Request For Proposal 30-90 days in advance so we can quote your account with better coverage and hopefully save you some premium! We specialize in Condominium and Homeowners association Insurance.

PROGRAM HIGHLIGHTS:

- Guaranteed Replacement Cost (no limit) on the following:
 - Building Coverage
 - Ordinance or Law
 - Broad Form Water
- "A" rated carriers
- Competitive Premiums

Hail deductible vs. cosmetic damage

One of the most fundamental changes we have seen in the marketplace has been how carriers are approaching the exponential growth of convective storms and the resultant hail damage that can occur.

The industry created a specific endorsement to address wind/hail claims by increasing the deductible for related claims. The deductible is proportional to the value of the building, and typically issued at 1%, 2%, or 5% of the total insured value. For many structures, these deductibles represent the bulk (if not all) of the value of the entire roof.

The second is to approach the claim from a surgical perspective – is the roof actually damaged? If so, then shouldn't coverage be provided? The question then becomes whether the roof or siding continue to function as intended? Are there leaks or just dents? One could argue that if the event was unforeseen and accidental, then the goal of a properly written insurance contract should be to address the event (damage, claim).

At CISA, we approach the exposure with the intent that if the component has simply exceeded its lifespan and is in need of replacement, it is more a maintenance item than an insurable loss.

An example of a 2% wind/hail deductible per building: If you have 100 buildings at \$1,000,000 property replacement cost and a 2% deductible per building, your wind/hail deductible when all buildings sustain damage would be \$2,000,000!! Do you have \$2,000,000 set aside in the budget to cover these outrageously high deductibles?