

NAVIGATING APARTMENT INSURANCE NON-RENEWALS

CREST
INSURANCE



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If you are an owner of an apartment property that has been non-renewed by an insurance carrier for any reason, you're likely being faced with an increase in insurance costs you would not know to prepare for without the guidance of an independent insurance broker. You may also be faced with an inability to maintain the insurance protection you would desire. We are providing this article to help you navigate this process to the best of your ability by answering the following common questions being asked of us.

How did we get here?

Without dwelling too long on why the insurance market is changing so drastically, we will share it is largely attributable to the impact on the insurance industry of "social inflation" as well as inflation of the true cost to rebuild commercial properties, which has driven up claims costs and is what insurance is actually rated by.

How do I go about finding a new carrier?

We recommend selecting only (1) independent insurance broker to represent you in the insurance marketplace. Insurance companies only allow (1) insurance broker to represent a client. Having multiple brokers representing you reflects negatively on you and indicates to insurers you may not be familiar with how to manage insurance for your properties. If you can compare this process of buying a new insurance policy to buying a new property, it would not make sense to submit an offer for a property from two different real estate brokers. Pretend in this case an insurance carrier is a potential new property you are searching for and rely on a broker you trust to submit your risk profile to the insurance carrier.

How do I know a broker is going to come through for us and find us replacement insurance?

Our suggestion is to ask the broker going to the market for you for a full list of insurance companies they are going to approach on your behalf. You can then share that list with a secondary insurance broker and ask if the first broker missed any potential insurance sources you should be considering. We provide this list with consistent updates to all our clients.

What information is needed to get quotes?

Other than very basic information about the property such as square footage, number of units, rental income, below is what is most crucial to always keep on file to maintain the best insurance options, moving forward.

1. (If Year Built Prior to 1980) Confirmation of the brand of the current electrical panels main and sub panels. We recommend taking a picture up close of the label of the electrical panel which should display the brand.
2. (If Year Built Prior to 2000) Descriptions and receipts for all updates made to Roofing, Electrical, Plumbing, and HVAC.
3. Hard Copy Currently Valued Loss Runs from the current insurer, regardless of whether you have had any claims.

We would sincerely appreciate any opportunity to be a resource and provide honest feedback and expectations for your real estate portfolio, regardless of the timing of your insurance renewal or any action already taken.

Please be on the lookout for additional articles regarding risk management and insurance strategies for apartment owners from us and contact **Cameron Stewart** any time at **(858) 349-5711** or **cstewart@crestins.com**.