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THE Villager



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myriverwoods.org

Premium Doesn't Rise

Good News on the Insurance Front

Although we expected at least a 20% increase in our insurance premium for 2024-2025, based on what we've heard from other HOAs and from our insurance brokers at the annual meeting, we were pleasantly surprised last month when the premium for next year's Master Plan came in slightly under last year's premium.

And that's not the only good news on the insurance front. We were fully expecting a total ban on grills on decks. Every other HOA we've heard from at a monthly meeting of Minnesota HOA board members in the last few months reported they've had to remove all grills from decks to get insurance at all. But in our proposal the only grill requirement is that no charcoal grills are permitted (which we've already banned for years), and that **all grills must be located at least five feet from any wall at all times**. Even when covered and not in use.

Not only did our premiums not rise — a welcome change from the last two years, when premiums rose 60% and 13% — but it includes a Cyber Risk policy that will cover our costs if our computer systems are hacked.

How did we get lucky?

Mainly because of the efforts and experience of our insurance brokers, Kraus-Anderson Insurance (KA). Normally, KA submits requests for proposals to many insurers known to have covered large townhouse HOAs in the past. Last year, for example, they submitted requests to 22 such insurers, of which only four responded, none of which would cover the entire Association. (Large, old townhouse HOAs are not particularly desirable clients for insurance carriers.) So, KA cobbled together a package that let each carrier handle a portion of the required insurance.

This year, KA decided to focus strictly on the same four companies that insured us last year, rather than approach companies that didn't respond at all. One reason is that these four companies are among the few making a profit in the house-insurance industry. Because our record has been good, they were willing to avoid raising rates this year.

Avoidance of a grill ban was just as fortuitous. Until the morning the proposal was made to us, a total grill ban was in the proposal. But for weeks, one KA employee had been trying to persuade the lead insurer to permit non-charcoal grills, pointing out that we'd had a ban on charcoal grills for years and have had no fires started on decks. At the last minute, literally two hours before the presentation, the company emailed the change on grill requirements.

How will we enforce the grill requirements?

Because the insurance companies also announced they would be running periodic inspections of

September Dates to Remember

The next **Board Meeting** will be held on September 17, 2024 at 5:30 p.m. in HOA office

The **ACC** will meet on September 24, 2024 at 5:30 in the HOA office.

The **HOA office** will be closed August 29, 30 and September 2 for Labor Day weekend.

The **pool** will close for the season on September 2, 2024, at 8 p.m.

Garbage pickup will be Thursday September 5 on Labor Day week instead of Wednesday.

Master Plan insurance premium due September 19, 2024.

the Association to ensure grills are kept five feet from walls, and reserved the right to cancel our insurance if they observe any grills closer than five feet from a wall, we passed a new rule in our Rules and Regulations that requires grills to be five feet from walls, subject to fines of \$50 per day for violations after September 20, 2024 and \$100 per day for violations after September 30, 2024, when the new policy will be in effect.

Why Such Harsh Fines?

Because the cost to all of us is so high if we get caught violating the 5-foot provision. If the insurance carriers cancel the new policy, we'd have to scramble to secure new insurers within 30 days, almost certainly paying at least 20%-40% higher premiums, i.e. several hundred dollars more for each River Woods homeowner, and would wind up with a total ban on any grills on decks.



To ensure everyone gets the word, we will be posting a notice of the new rule, with penalties for violations, on all units we see with grills before September 20. We will have staff drive through the Association each day from September 20 on, giving violators one free warning, and then imposing the daily fines each additional day of violation thereafter.

After September 20, if you see a neighbor with a grill — even one that's covered and not in use — stored close to a wall on their deck, it's in your financial interest and theirs to let them know that's a no-no. If our insurance gets canceled because even one homeowner is observed by an insurance inspector violating this rule, we'll all pay, heavily.

Keep Those Garage Lights On

Exterior garage lights are supposed to be on constantly from dusk to dawn, providing needed illumination in dark areas. Please do not switch them to motion-activated or unscrew the bulbs. We are suffering a rash of car break-ins and car thefts in the Association, so please make sure your exterior garage lights are on all night.

Please Make Appointments for In-Person Office Visits

With the insurance payments due shortly, and a new fiscal year coming up in three months,

these are busy times around the River Woods office. If you need to speak personally with the Association Administrator, please make an appointment. Better yet, use email or your phone for any questions or problems that can be handled that way. No texting, though; our system doesn't have texting capability.

The Marijuana Exclusion

Our insurance policy includes a number of standard exclusions, such as earthquake, war, etc., for which the insurer will not pay any damages. That's pretty much standard in all house insurance policies. But also included is a "marijuana exclusion," in which damage caused by the "manufacturing, transportation, distribution or usage of marijuana" will not be covered. This is primarily aimed at anyone growing marijuana.



Wasps/Hornets/Bees

Wasps, hornets and bees are abundant this time of year. The Association is limited in what we can do. If you let the Grounds Manager know, he will try once or twice to dust with a powder that we are certified for, and remove the nest if possible. If it is more invasive than what he can handle, or if the nest is inside of your siding, you will have to call a professional pest control firm to eradicate the problem.

What is a Certificate of Insurance and Why Is it Important?

A Certificate of Insurance (COI) is a document issued by an insurance company that provides proof of insurance. It contains important basics like policy terms, individuals covered, and dollar amount of coverages. COIs also include the type of policy, such as property, commercial or general liability, as well as other coverages that may be included.

Each year, Kraus-Anderson Insurance (KA) provides the COIs for the master insurance policy of the Townhouse Villages at River Woods. Upon payment of your annual insurance premium at each renewal, a COI is issued to each individual homeowner. In addition, certificates are sent to any mortgage company or bank that has a financial interest in a unit.

How does Kraus-Anderson obtain the mortgage or bank information for your unit? Every June, KA sends River Woods homeowners a verification questionnaire. It may be sent by USPS mail, or you may receive an

email, if Kraus-Anderson has your email address on file. The form asks for pertinent information specific to each homeowner, including mortgage /loan information. How is your mortgage company to be listed on the certificate of insurance (mortgagee clause), current loan number and, most importantly, do you escrow your master policy insurance with your mortgage payment? You have until July 15 to return the information to KA. They send it annually, as sometimes mortgages are paid off, sold or are being managed by a mortgage servicing company. Have you opened a new line of credit with a bank? They will want to be listed on your COI. If homeowners do not return the verification form, the same information from the prior policy term will be used.



Mortgage companies and banks require Certificates of Insurance upon each renewal. It is how they know you have current insurance coverage on your home that they have a financial interest in. If the COI is

Night-to-Unite Draws Residents to Sport Court

August 6 was a lively night at the Sport Court, as more than 50 River Wood residents joined together for brats, chips, music, and a shared sense of community in our annual Night-to-Unite.

Each year we offer a chance for neighbors to get

not provided, a bank may choose to place insurance coverage on your home themselves, which you will be charged for unless you can show proof that a current insurance policy is effect. It can be very difficult to reverse, and you may end up paying a high price before the problem can be corrected and a certificate can be directed to the required department.

If you are a new owner, a Certificate of Insurance was provided to the title company by Kraus-Anderson Insurance for your closing. If you have a mortgage, the mortgage company listed would have been whoever financed your loan at the time of closing.

For all owners, if at any time your mortgage company information should change, please notify Kraus-Anderson Insurance at riverwoods@kainsurance.com, with the updated mortgage information.

Lastly, please be sure to find out if your mortgage company escrows for your master insurance premium. The only way to know is to call them directly and ask if they escrow for insurance. If so, what is the amount and are they to pay Kraus-Anderson Insurance? If not, they are not escrowing for your master insurance policy, and you will be responsible for the full premium each September.

to know each other and realize that the best way to ensure community safety is to look out for each other and keep a sharp eye on what's going on in the community.

