

Price

Value



By Charlotte Allen

Finding Value in Your Insurance

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Insuring a common interest development certainly involves several elements, some that you as the consumer can control and others that may be out of your hands. Unfortunately as the insured you have little say in the price of your coverage. Sure, you can choose the most inexpensive policy presented but those prices come from the carriers and have little to do with what you as the consumer wants to pay. Coverage is another factor the insured has little control over. I'm not aware of a carrier that will allow clients to fashion their own policy or create their own policy forms. Therefore, with little influence on what you're purchasing and how much you're paying for your purchase, one thing you can make certain of is that you find value in the insurance placed.

Although society undoubtedly differs in what we feel is important there are particular bare essentials we can almost all agree to be of significance such as safety, comfort, and happiness. Once we surround ourselves with others who share our value system we can then collaboratively decide what is imperative to us as a community.

Members of a common interest development indisputably must do this by meeting as a group and determining where your money is best spent. Not always the easiest task, I know.

One of the largest line items found on an association's budget is the cost of insurance and I would assume one of the most difficult decisions a community faces. This brings me back to the aspects previously mentioned (safety, comfort, happiness), components which help us determine what we purchase and why. This should be the same assurance we feel when making a decision to buy insurance.

When evaluating insurance policies, carriers, and brokers, there are questions you should ask yourself. Does your insurance make you feel safe? Are you confident, should your community experience a loss, that the right coverage is in place to protect you and your investment? These questions may be difficult to answer if you aren't sure where your broker came up with replacement cost values or why your association needs certain coverage options.



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Meet with your insurance broker at least annually to discuss the appropriate replacement cost of your property. If the broker has used a replacement cost calculator to determine value don't be afraid to ask how they verified building information. Ask that your insurance provider explain coverage in place and why each element is important to your particular community. Every common interest development is different and possesses diverse amenities, reserve funds, governing documents, populace, and needs. Make certain your community is protecting exactly what's significant to you.

Are you comfortable with the coverage you're paying for? Has your broker explained coverage in place, how it works, who to contact in the event of a loss? Remember you pay for more than just insurance coverage. An insurance broker is responsible for servicing your insurance needs throughout (and sometimes beyond) each policy term. You should feel comfortable asking your broker for clarification to your questions and concerns. Think of your broker as the middle man between you and a potential loss. Ask for assistance. This is, after all, their specialty. You should not only feel protected by your insurance coverage but also comfortable with the hands you've placed it in.

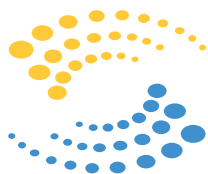
Lastly, are you happy with the service and relationship you receive from you current insurance providers? Every so often some of us might treat our locks to a cut, maybe color or deep conditioning. But what we also look forward to is sitting with the hair stylist we've trusted for 5, 10, 15 plus years, talking

about family, current events, what style he/she thinks will be best for the upcoming season. We pay for so much more than a haircut, don't we? The relationship we have with our hair dresser, staff, fellow clients are all factors that keep us returning. You may not ask your insurance broker for hair or fashion advice but why shouldn't you have a relationship with them? Besides yourself and property manager, your insurance broker probably knows the most about your community and what needs to be protected. Ask your broker to attend a board meeting here or there. This will give you a chance to ask questions about insurance but also gives you face time with the person you trust to help protect your community.

In today's economy scrutinizing price is important however to be truly comfortable with a purchase you must find value in what you acquire. When comparing insurance policies ask for explanation. If one insurance option is more expensive than another find out why. Insurance policies are rarely "apples to apples." You may decide paying a little more each year for safety, comfort and happiness is well worth it.

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Charlotte Allen is a licensed insurance agent/broker with Socher Insurance Agency. She is dedicated to helping common interest developments find value in their insurance. You may visit Socher Insurance Agency online at www.hoainsurance.net.



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