

House Business Affairs & Labor
 02/21/2024 Upon Adjournment
 HB24-1108 Insurance Commissioner Study Insurance Market
 Typed Text of Testimony Submitted

Name, Position, Representing	Typed Text of Testimony
<p>Scott Matheson For Pinon Glen Homeowners' Association</p>	<p>Upon annual renewal two years ago in August 2022, our HOA experienced a property insurance increase from \$40k to \$73k. At renewal last year in Aug 2023, our broker advised us that they were having difficulty finding coverage and that we needed to contact the large companies that do their own underwriting, as those companies do not use brokers. After exhaustive research only two companies would insure us - the HOA found State Farm for \$171,000, and our broker found one on the secondary market for \$320k.</p> <p>With that we accepted coverage with State Farm and immediately began the process of changing our Covenants to specify individual coverage instead of HOA coverage. We couldn't in good conscience face an even larger increase next year. After a great deal of work and legal expense, we changed the Covenants, cancelled State Farm effective Dec 11, and had all Owners switch to individual coverage on that date.</p> <p>Through our membership in the Community Associations Institute, a number of other HOA's who face the same prohibitive costs have contacted us for advice on how to make a similar change as quickly as possible.</p> <p>Huge increases in premiums appear to be a universal problem now for Colorado HOA's. Depending on the timing and magnitude of the increase, a special assessment becomes an HOA's only option.</p> <p>Finding coverage, changing Covenants, switching to individual policies, and initiating special assessments are undesirable, emotional, and time-consuming endeavors.</p> <p>Thank you for anything the Legislature can do to control Colorado insurance premiums.</p>