

## **Stone Creek First Homeowners Association (HOA) 2024 Monthly Dues Increase**

Based on the 2023-2024 HOA budget that was presented at the Annual Meeting in September 2023, the monthly HOA dues will be increased from \$125.00 to \$150.00 per month as of Jan 1, 2024. This increase is needed to offset rising costs for lawn mowing, snow removal, and HOA insurance costs. For 2023 – 2024 the insurance costs cost for the HOA are going up by over \$19,0000 a year or nearly \$1600 per month.

HOA insurance rates are rising throughout all Iowa and other states as natural catastrophes increase and as insurance companies continue exit the multi-dwelling market like our properties. This fall we reached out to at least five different insurance companies after we learned that our previous insurance company was no longer going to provide HOA insurance. Two of the five companies chose not to provide quotes, one company was unable to provide a quote in time to meet our needs and two companies provided quotes, one of which was over \$70,000. The accepted quote is for \$46,984 per year.

As part of this overall change in the insurance industry not only are insurance companies raising their rates for the quoted insurance, but they are also increasing the deductibles on the policies they write. As an example, in our last policy the wind/hail deductible was 1% of the building value. In our new policy our deductible will be 5% of the building value. At our current building values, an event that damaged every HOA building would have a deductible amount of roughly \$1.1 million (about \$13,500/unit). It could be that the HOA would need to recover this amount through a special assessment to each homeowner.

To cover yourself you should check with your insurance company to ensure you have what is called a “loss assessment” coverage as part of your policy. In most cases a nominal amount of coverage is included with most policies. The HOA is strongly recommending you check into this and ensure you have this coverage, and you get the level of coverage set to at least \$25,0000. The coverage is usually inexpensive to include in your homeowner’s insurance. Please speak with your insurance agent regarding questions relating to “loss assessment” coverage.

It is evident that the increased cost of HOA insurance will continue to be a problematic issue now and into the future for our association. The Board is committed to taking the most prudent and cost-effective direction to provide the coverage that is needed for property of the association.

If you have any questions concerning this issue, please contact one of the board members listed below.

On behalf of the HOA Board,

Mark Heindselman - Vice President

Pat Carroll - President

Bryan Benjamin - Secretary

Nancy Henely - Treasurer