

# SPOTLIGHT

on

## LaBarre/Oksnee Insurance Agency

Insurance coverage is just one component of the Department of Real Estate budgets MAS provides for clients, but it's one of the most critical. That's why MAS relies on one of its preferred insurance brokers, the LaBarre/Oksnee Insurance Agency, for the most comprehensive insurance rate information available.

Founded in 1987 by Curt LaBarre and Scott Oksnee, the LaBarre/Oksnee Insurance Agency is the leading producer with most, if not all, of the insurance carriers specializing in the homeowner association (HOA) industry. An active member of the Community Associations Institute and Building Industry Association, the agency is also a founding member of the California Association of Community Managers.

LaBarre/Oksnee serves more than 1,000 community associations from offices in Orange County, Thousand Oaks, San Diego, Palm Desert and Las Vegas. The company prides itself on providing complete insurance protection, outstanding service and the most updated technology.

"Through the years, LaBarre/Oksnee has worked along with MERIT during the developer transition phase of new projects," says Vice President and CEO Curt LaBarre (pictured below). "Those efforts have resulted in a streamlined operation that makes every step of the insurance process as smooth as possible for all parties involved: developers, management companies, buyers and insurers." ■



Curt LaBarre

LaBarre/Oksnee Insurance Agency Vice President and CEO Curt LaBarre has written articles for numerous industry publications and has been a keynote speaker at industry events. Here he answers some of the most frequently asked questions regarding HOA insurance.



**Q.** *Is the homeowners association insurance market specialized or can any insurance agent get a quote?*

**A.** The HOA market is definitely specialized. Although virtually any agent/broker can provide a quote to an HOA, chances are they won't know the competitive markets to access or what types of coverage the association should carry with regard to CC&Rs or civil code requirements. It would be like my company putting together an insurance package for a trucking company. I could provide a quote, but I don't know what carriers are the most competitive for the trucking industry and I could not be sure I was providing them with all the necessary coverage. When it comes to something as important as insurance, it's best to find someone that specializes in that particular market.

**Q.** *When should the developer or management company solicit proposals for the HOA?*

**A.** In a perfect world, I would say for new developments it is best to solicit for insurance proposals at least 60 days prior to the first close of escrow. For existing accounts, 60 to 90 days is preferable.

**Q.** *During the development stage of a new project, when should the insurance for the HOA go into effect?*

**A.** It should be made effective upon the first close of escrow, when the HOA has its first exposure to liability and property loss.

**Q.** *Can the developer, escrow or mortgage companies obtain proof of insurance prior to the first close of escrow?*

**A.** They can purchase the coverage at any time, but we prefer to provide a certificate of insurance for the lenders showing the effective date as the projected first close of escrow. That way, the developer or HOA doesn't have to purchase coverage during a period where there is really no exposure and, if the first closing is delayed for any reason, we can simply change the date coverage goes into effect.

**Q.** *Is the DRE budget for insurance a guaranteed premium at the time of insurance placement?*

**A.** These figures are only estimates, and we put a disclaimer on our quotes to make sure that point is emphasized. Any number of factors can arise between the time we estimate for the DRE and the time the development is ready for insurance. These include a change of rates, either an increase or a decrease; a change in total number of units; or a change of underwriting with the carrier, such as when a company that used to write a certain risk no longer does so.

**Q.** *Does the process of obtaining insurance become more complex for mixed-use projects such as planned unit developments with cost centers, or residential condominiums over retail/office space?*

**A.** With the current difficult insurance market, carriers that write HOA insurance are increasingly reluctant to take on mixed-use projects. However, insurance can be obtained, although it might take more time to place coverage and pricing may not be as favorable. Mixed-use projects also make creating a DRE estimate more difficult, as carriers continually alter underwriting criteria for such developments.

**Q.** *Are HOAs still able to add additional insured endorsements to their policies?*

**A.** In the past, an HOA could obtain additional insured (A/I) endorsements that would cover any additional entity for no additional premium. Today, it is very difficult to add A/Is, and now there is generally a charge to do so. Not only are there fewer insurance companies to choose from and stricter underwriting requirements, fewer carriers are willing to provide additional entity coverage. ■