

Skyrocketing Insurance Premiums: Insights and Strategies for Timeshare Associations in 2024

Gregory & Appel Insurance offers guidance and strategic insights for navigating challenges and finding sustainable solutions.

INDIANAPOLIS, IN, US, January 31, 2024 /EINPresswire.com/ -- Skyrocketing Insurance Premiums:

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Matt Stauffer, Senior Risk Advisor

Timeshare Associations and property managers have started the new year keenly aware of the ever-shifting world of property insurance. Substantial changes are sweeping through what was once a fairly predictable and stable market. Many insurance carriers are pulling back and withdrawing from many areas — Across the country, all timeshare resorts are plagued by skyrocketing premiums. Finding solutions, exploring options, and being adaptable are now more crucial than they have ever

been.

Understanding the Transformation

The disruptions that affect timeshare associations are being met with an intense overhaul of risk assessment models, an increased demand for comprehensive property inspections, and a greater focus and emphasis on detailed underwriting. Many changes came unannounced to many timeshare association board members and property managers and have upended long-standing perceptions and practices within the insurance procurement process.

Addressing a New Normal

To fully grasp these changes, it's important to recognize some of the concerns related to the current state of property insurance. The initial signs of the hardening market were showing in 2022, with a notable increase in claim frequency signaling a shift towards more stringent conditions. Fast forward to 2023 — rate hikes reminiscent of a decade's worth of increases condensed into a few months.

The American Property Casualty Insurance Association corroborated these observations when highlighting a significant jump in net underwriting losses from \$3.8 billion in 2021 to \$26.9 billion in 2022. This paints a clear picture — the insurance companies spent more money than they made from premiums. And this isn't limited to a certain geographical pocket; it extends coast-to-coast in both rural communities and large cities alike. In 2023, there were 25 separate natural events causing at least one billion dollars in losses.

According to the National Centers for Environmental Information, this included 1 drought, 2 floods, 19 severe storms, 1 tropical cyclone, 1 wildfire, and 1 winter storm. These events

unfolded face-to-face with 33 states, causing an estimated \$81 billion in losses for the year.

Navigating the New Challenges

This market shift has implications reaching far beyond numbers on a spreadsheet; it's having a real-world impact on communities and business operations. One striking example is the withdrawal of key coastal insurance programs from states like Florida, which has historically been reliant on such coverage. Seeing coastal programs start to exclude states like Florida, a state that boasts 8,436 coastal miles and is home to 1.5 million condominiums, and you'll start to understand the severity of what is taking place.

With reduced competition and reinsurance obstacles, the remaining insurers have recalibrated their pricing strategies, often leading to substantial premium increases. In California, this has led to some eye-watering rate increases, up to 1000% for some, forcing people to rethink how they can afford their insurance.

Crafting A Strategy

Effective navigation in today's insurance environment requires a deep understanding of individual properties and what makes the property stand out. Things like exemplary housekeeping, good maintenance, advanced security measures, and recent upgrades are key. Making sure the property's details are up to date with an accurate Statement of Values is crucial for getting accurate insurance quotes.



Matt Stauffer, Senior Risk Advisor, Gregory & Appel Insurance

While insurers are often willing to consider new business submissions well before renewal dates, decision-making often remains prolonged, and updates can be expected even at the last possible moment. Initiating the process well in advance of any renewal deadlines is critical. There is no such thing as too early, even if immediately following a recent policy renewal.

Finding the Right Guide

In these challenging times, the selection of an experienced and knowledgeable insurance broker cannot be overstated. It's not just about getting a bunch of quotes; it's about finding someone who really knows the ins and outs of this complex market and can build the best program — It is about broker selection and finding a partner that's viewed as an extension of each resort's team, working to find the best insurance solutions for you.

A Pledge to Guide and Support

It takes an unwavering commitment of insurance professionals to serve as trusted advisors and advocates — to understand the intricacies of each resort's insurance requirements and work tirelessly to achieve the most advantageous outcomes for each property.

When existing insurance approaches fall short, generating more questions than answers, professional guidance is needed. The objective is to take control and formulate a winning strategy — to make insurance renewals less puzzling and more empowering.

About [Gregory & Appel](#)

[Gregory & Appel Insurance](#) operates as an independent risk management advisor, guiding individuals and businesses through the intricacies of insurance and employee benefits. Since 1989, delivering insurance and risk management solutions for timeshare resorts, HOAs, property managers, and exchange companies across the US and Mexico. The focus lies in addressing the specific needs of HOAs, ensuring comprehensive protection for everyone involved, from board members to unit owners. For any inquiries or guidance, contact Matt Stauffer at 317.352.3333 or via email at MStauffer@gregoryappel.com.

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