

# Gregory and Appel Insurance and Facilities Advisors Announce Key Risk Management Strategies for Timeshare Resorts

*Effective Risk Management: Navigate Natural Disasters, Budgeting, Reserve Studies, and Insurance for Long-term Stability*

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EINPresswire.com/ -- By Matt Stauffer,  
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Effective risk management is a critical component of maintaining the stability and longevity of timeshare properties. For board members and property managers, understanding and implementing comprehensive risk management strategies is essential to protect not only the physical assets of the resort but also its financial health and reputation. This article, presented by Matt Stauffer and Gary Porter, explores key risk management strategies, focusing on insurance, reserve studies, and maintenance planning.

## Defining Risk Management

Risk management, in its simplest form, involves identifying potential problems or dangers that could cause losses and then finding ways to reduce or prevent those risks. For resorts and HOA board members, risk management means protecting what matters most—property, financial stability, and reputation. It's about anticipating what could go wrong, whether it's a major event like a hurricane or day-to-day issues such as a leaky roof, and taking steps to either prevent these problems or minimize their impact when they do occur.



Matt Stauffer, Senior Risk Advisor, Gregory & Appel Insurance

## The Impact of Natural Disasters

Natural disasters pose some of the most significant risks to timeshare properties, and different regions face different threats. Hurricanes, wildfires, droughts, and tornadoes are the four major natural disasters that keep risk managers up at night.

- **Hurricanes:** Since 1980, hurricanes have caused over \$1 trillion in damages in the U.S. alone. The increasing frequency and strength of these storms, especially in coastal areas, make them a top concern for property managers and insurance underwriters.

- **Droughts:** Although less headline-grabbing, droughts are equally devastating. The 2012 drought, one of the most costly in history, affected 80% of U.S. farmland and resulted in over \$30 billion in damages. As climate patterns shift, areas once considered drought-resistant are now more vulnerable.

- **Wildfires:** The frequency and intensity of wildfires have surged, particularly in the Western U.S., making them a critical risk to consider in those areas.

- **Tornadoes:** The United States experiences more tornadoes than any other country, with an average of 1,200 per year. For properties in tornado-prone areas, this is a risk that cannot be ignored.

## Budgeting and Prioritization

One of the most challenging aspects of risk management is budgeting—especially when resources are limited. The process begins with a thorough conversation about the property's unique characteristics. Walking through the property allows risk managers to identify and prioritize critical risks, which is especially important when budgets are tight.

When resources are limited, it's crucial to focus on the most significant risks. Essential insurance coverage, such as liability and property insurance, should not be compromised. Instead of cutting corners, coverage should be tailored to the specific needs of the property. Preventive maintenance, which is often more cost-effective than repairs, should also be a priority. Regular inspections can help identify issues before they become costly problems.

## Leveraging Technology and Data



Gary Porter, FMP, RS, CPA, RRC CEO of Facility Advisors International, LLC

Technology plays an increasingly important role in risk management. For example, sensors that detect water leaks or monitor temperature changes can help prevent costly damage and may even result in insurance discounts. Engaging with insurance partners from the beginning of the planning process can also provide valuable insights and options.

Transparency and communication are critical when it comes to budgeting and risk management. Ensuring that board members, property managers, and the community are all on the same page helps build support for necessary spending and creates a team-oriented approach to protecting the property.

### Strategic Reserve Planning

Strategic Reserve Planning is another crucial aspect of risk management. This involves thinking ahead—way ahead. For timeshare properties, this means not only understanding current needs but also anticipating future expenses, such as major repairs or replacements, decades down the line.

A comprehensive reserve study acts as a roadmap for the property's future, allowing board members and property managers to anticipate major expenses and ensure that funds are available when needed. This proactive approach ties directly into risk management, as it helps prevent the financial instability that can arise from unexpected expenses.

### Business Interruption Insurance

Business interruption insurance is an often-overlooked component of risk management. This coverage helps protect the property's income during downtimes caused by natural disasters or equipment failures. Having a contingency plan that includes business interruption insurance is essential to minimizing the impact of unexpected events.

### Engaging with the Board and Community

Effective risk management requires the active engagement of board members, property managers, and the community. Transparent communication about the risks the property faces and the steps being taken to mitigate them is essential. This transparency helps ensure that everyone understands the importance of reserve funding and risk management and is willing to make the necessary decisions to protect the property's long-term success.

### Planning Takeaways

In conclusion, the most successful risk management strategies for timeshare properties involve a combination of proactive planning and strategic reserve management. By anticipating potential risks, engaging in comprehensive reserve planning, and leveraging technology and data, board members and property managers can ensure the long-term stability and success of their properties.

Remember, risk management is not just about reacting to what happens but proactively preparing for what could happen. When resorts and HOAs take the time to plan ahead and think

strategically, they set themselves up not just to survive, but to thrive.

#### 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](mailto:MStauffer@gregoryappel.com).

#### About Facilities Advisors International

Facilities Advisors International is a leading provider of reserve study and facility management services. With extensive expertise in the hospitality industry, the company offers tailored solutions to ensure compliance with statutory requirements and long-term financial sustainability for resorts and property associations. To learn more, contact Gary Porter, Chief Executive Officer, Facilities Advisors International at 702-605-2394, Email: [gporter@facilitiesadvisors.com](mailto:gporter@facilitiesadvisors.com)

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