



Association of Unit Owners of Ranch Cabins

Board of Directors:
Terry Glenn - 360-907-3604
John Warren – 541-977-3558
Joe Wonderlick – 503-572-1056
Steve Mahoney - 503-472-8668
Roberto deCastro – 503-781-5938

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Board Meeting Minutes Executive Session June 13, 2022, 1:00pm Meeting by Zoom

Call to Order – Terry Glenn, chair, called the meeting to order at 1:02pm

Quorum – John Warren, Joe Wonderlick, Steve Mahoney, and Terry Glenn present by audio and visual. Roberto deCastro was not able to attend but indicated his support of the majority.

Notice of Meeting – Meeting was called on short notice to address placement of the Association's insurance. Notice was acknowledged by all Board members.

Insurance Placement – on 5/6/22, the Association received notice of non-renewal effective 12:01am 6/14/22 from Farmers Insurance.. The Farmers Agent, Perry Rhodes, initiated a search for replacement coverage immediately, approaching a number of standard and surplus markets via placement brokerages. Near the end of May, Perry reported no success in finding a carrier willing to insure Association property. Another agent, Rex Leseuer, was contacted via referral from a wholesale broker. Rex pursued several standard markets and extensive market search by the wholesale broker. With regard to property, all carriers declined except two. One offered a rate that would result in a total insurance cost in excess of \$60,000, the other offered similar pricing with inferior terms. At the time of the meeting, Oregon Mutual had yet to respond, but filed rates would have suggested a premium in the \$15,000 to \$20,000 range.

By consensus the Board would accept the Oregon Mutual quote if offered. (Oregon Mutual subsequently declined)

Following discussion, Joe moved and John seconded a motion to reduce the Property limits to \$2,000,000 divided proportionately by square footage to cover just the siding and chimneys which are Association responsibility, and direct owners to obtain their own coverage on the balance of the structure. Notification to be given by email and then snail mail to any that did not acknowledge receipt of the email. Terry was authorized to negotiate the final terms and place coverage, and distribute funds as needed to pay the full annual premiums. Motion passed.

Steve subsequently expressed concern about adequate notice time to unit owners. Discussion ensued about possible ways to provide more time to unit owners, but the only viable option seemed to be to pay 25% minimum earned premium on the \$60,000 premium level. (Later in the day, Farmers agreed to an extension of the expiring policy thus allowing a period of time for owners to contact agents)

Several specifics, including the final property premium and excess liability premium were unknown at the time of the meeting, but there was an expected range.

Action Items:

Property coverage with a \$2,000,000 limit adequate for siding and chimneys only would be requested bound, with a deductible of \$10,000 if credits were available.

General Liability with a Limit of Liability of \$1,000,000 would be bound

Directors & Officers Liability with a limit of \$2,000,000 and Crime coverage would be bound.

Excess Liability with total available limits of \$4,000,000 would be requested but was not yet quoted.

A letter to Unit Owners advising the need to increase Building coverage on their units would go out as soon as practical. Those that did not acknowledge the email would be sent notice by snail mail.

Annual premium would be paid rather than incur an interest expense of a premium finance company. Reserve funds may be needed to cash flow year-end expenses. (Approximately half the insurance cost appropriately accrues to 2023)

There being no further business, meeting adjourned approximately 2:00pm