

# KDInsights

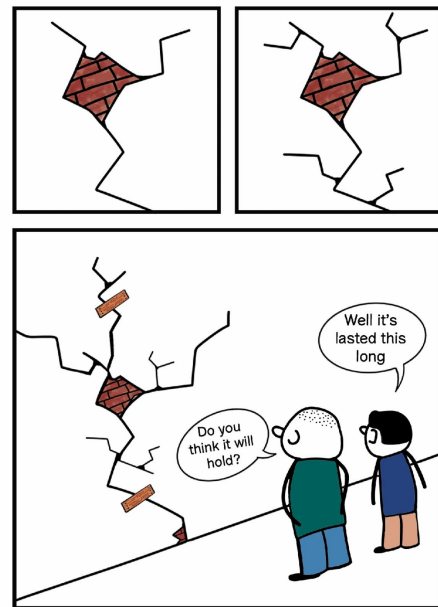
Kevin Davis Insurance Services is excited to introduce this new way for us to stay connected, share insights, and celebrate our collective progress. Each quarter, we'll feature key updates, successes, and stories that reflect the great work happening across our team and industry. Whether you're looking for inspiration or just a quick catch-up, we hope this newsletter becomes a valuable touchpoint for you. **We will highlight emerging trends, spotlight experts and resources, and share where to find us in the field.**

## Marketplace Update

### Confronting the Challenges of Aging Infrastructure

Our industry is changing before our eyes. With every passing moment, time moves forward, carrying our homes, our clients, and our communities with it. Over 60% of Community Associations in the United States were built before 1995. So, **how do we handle aging buildings and increased risks?**

There is not *one* easy answer. We at Kevin Davis Insurance Services ask ourselves this question and walk through key exposures and strategies to protect associations:



### Deferred maintenance

In order to keep fees low, we've seen votes to forgo maintenance. This can snowball into bigger problems, including structural damage or system failures, that cost a lot more when they finally must be fixed. *This is a major concern with older associations, impacting property damage, bodily injury risks, and even claims tied to*

*special assessments or failure to maintain.*

## Reserve funding

A possible answer to our posed question, is increasing payments slowly to avoid significant increases. A reserve study strengthens an association's financial planning by offering expert recommendations to ensure long-term stability. *We see far too often that many associations skip reserve studies, which creates oversight that can lead to serious financial shortfalls and potentially breaches of fiduciary duty by the board.*

## Compliance evolution

Every year new disruptors, including electric cars, drones, crypto currency, and even AI tools are introduced. This leads to questioning if the association By-Laws address changes? *Many aging associations aren't prepared to accurately enforce the rules which can lead to a variety of claims, such as discrimination, non-monetary complaints, failure to maintain coverage, etc.*

We can't slow down time, but with thoughtful planning and the right resources, we can stay ahead. At KDIS, we team up with trusted experts in our industry, like reserve specialist **Robert Nordlund**, CEO and Founder of Association Reserves, to deliver meaningful insights.

---

# Expert Spotlight

## Funding Reserves and Protecting Property Value

**Expert:** Robert Nordlund, CEO and Founder of [Association Reserves](#)

How does a board care for their building(s)? They put up a good fight against the unstoppable forces of Mother Nature and Father Time. Each day, like sand dripping from an hourglass, your property is deteriorating. It takes a concerted effort to offset these ongoing forces of deterioration that gradually over years, lead to major (and predictable) expenses like roof replacement, asphalt resurfacing, elevator modernization, and more.



Mother Nature and Father Time scoff at boards who think their association can “save” on reserve funding just because their budget is tight. If not paid through budgeted transfers, the same cost of deterioration will be paid by the owners through special assessments or loans.

To put up a good fight, understand that owning real estate is expensive, and communicate that fact regularly to your owners. When regularly budgeted reserve transfers offset ongoing deterioration, associations avoid special assessments, loans, and deferred maintenance because they are financially prepared when the project needs to be performed. A well-maintained property avoids special

assessments and enjoys maximized property values and minimized insurance premiums.

Reserve transfers sufficient to offset ongoing deterioration are typically in the range from 15-40% of an association's total budget, with older associations being more expensive to maintain than newer ones. You'll find the reserve transfer needs of your association at this stage of its life in your regularly updated reserve study.

There is no avoiding the cost of deterioration. Update your reserve study, fund your reserves, and put up a good fight!

---

## On the Radar



### Upcoming events:

- Insurefest 2025 - October 11-14 - Memphis, TN
- CAI New Jersey Annual Conference - October 16 - Edison, NJ
- The Cooperator Expo Chicagoland - October 16 - Chicago, IL
- CA Day 2025 - October 18 - Seattle, WA
- CAI New England Annual Condo Convention - October 25 - Burlington, MA



### Upcoming webinar:

The Cost Conundrum: Why Umbrella Premiums Can't Keep Up with Risk

[Register here](#)



### Subscribe & listen:

[HOA Insights: Common Sense for Common Areas](#)

---

## ICYMI



### Past webinars:

- [How Incivility is Causing an Increase in D&O Insurance Losses](#)
- [The Marcus Hour | Ep. 23 | 6.6.25 | Cyber Risk Insurance and Legal Implications of Cyber Breaches - Allock Marcus](#)



### Past podcast episodes:

- [Episode 118 | New 2025 Florida HOA Legislation Every Community Should Know](#)
- [Episode 047 | THE LIVE PODCAST! | HOA Reserve Study Legislation: Is Your State Next?](#)

---

## Resources Roundup

### CAI Research on Aging Infrastructure

To find out more information about Aging Infrastructure and how it's affecting community associations, please visit the link below.

[Read more](#)



CA License # 0M80105 | [www.kdisonline.com](http://www.kdisonline.com)

Connect with us!

