



honolulu park place

NEWSLETTER • JUNE 2024

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High-Risk Components

Inspections Starting Soon!

The Board of Directors approved a **High-Risk Component Resolution** aimed at enhancing property safety and reducing frequent water shutoffs and insurance claims. This initiative reflects our commitment to proactive risk management and upholding the highest standards of living for our community at Honolulu Park Place.

We are pleased to announce that starting on **Monday, August 12, 2024**, Paradise Inspections will begin conducting High-Risk Component Inspections at Honolulu Park Place.

Residents will need to be home to provide access to the inspector between 8am-1pm on your floor's scheduled date (see calendar to the right). Also, please ensure that the inspector has adequate clearance and access to all the components needing inspection.

Please contact the Honolulu Park Place management office at **808-546-1212** with any questions.

Please note: **This is a mandatory inspection** deemed by the Board of Directors. Failure to provide access to your unit on your specified date could result in a \$210.00 fine plus applicable taxes. If special arrangements need to be made, please notify the Honolulu Park Place office or email info@paradiseinspectionshi.com at least 48hrs before your scheduled date.

Red Number indicates floor number.

ITEMS TO BE INSPECTED:

- a) Shutoff-Valve(s)
- b) Under bathroom and kitchen sinks (minimum 12" inches of clearance around drain pipes, supply lines, garbage disposal and shut-off-valves)
- c) Washer/Dryer area
- d) Electrical Sub-panel
- e) Lanai/Balcony area(s)
- f) Bedroom window(s)
- g) The following areas must be clear of any/all personal items so the INSPECTOR can test these components:
 - ✓ Bath tub(s)
 - ✓ Sink(s)
 - ✓ Washing machine
 - ✓ Dryer
 - ✓ Dishwasher
 - ✓ Toilet Tank/Bowl cover/lid(s)
 - ✓ Electrical sub-panel
 - ✓ Bathroom and kitchen GFCI outlet(s)

Inspection Schedule 8:30 am – 12:30 pm

August 2024						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
11	12	13	14	15	16	17
	40	39	38	37	36	
18	19	20	21	22	23	24
	35	34	33	32	31	
25	26	27	28	29	30	31
	30	29	28	27	26	
September 2024						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2	3	4	5	6	7
	Labor Day	25	24	23	22	
8	9	10	11	12	13	14
	21	20	19	18	17	
15	16	17	18	19	20	21
	16	15	14	13	12	
22	23	24	25	26	27	28
	11	10	9	8	7	
29	30					
	6					
October 2024						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		1	2	3	4	5
		5	4	3	Makeup Day	
6	7	8	9	10	11	12
	Makeup Day					



What's Going On With Insurance?

Since the new year, the insurance market in Hawaii has been in a state of turmoil. We are in a Hard Market where insurance companies have stricter underwriting guidelines and offer less-desirable terms with higher premiums. What is going on?

Disasters and Global Reinsurance Costs

In the last several years there has been a spike in large natural disaster claims across the country and around the world. In the most recent 5 years (2019-2023) the average number of Billion Dollar Disasters increased to an average of 20.4 per year. In the last two years alone there have been 46 large events that caused approximately \$271 billion in damage. These disasters as well as others around the world have caused global reinsurance rates to increase significantly to cover these claims.

What is Reinsurance?

In simple terms, reinsurance is insurance for insurance companies. They purchase reinsurance to enable them to cover catastrophic claims such as hurricanes, floods, and wildfires. Largely due to natural disasters around the world and close to home, reinsurers have been losing money and must raise rates to stay solvent. Of the 50 largest reinsurance groups, 17 of top 50 reinsurers had combined ratios over 100% in 2022. This means they were paying more in losses and expenses than their earned premiums before the disasters of 2023, including the Lahaina wildfire.

Why is Hawaii Being Affected?

Hawaii has a few unique challenges that are not appealing to underwriters. We are at risk of being hit by Hurricanes, and Hawaii is not a very large market—California and Texas each have about 25 times the number of associations compared to Hawaii. Also, Hawaii has a lot of buildings built in the 1960s and 1970s that need updates. Many of these buildings are near the shoreline leading to serious concerns about maintenance and structural integrity after the collapse of a beachfront condo in Florida in 2021. Additionally, until recently most companies did not contemplate the threat of wildfires in Hawaii.

How Hawaii's Insurance Companies are Responding

Every insurance company doing business in Hawaii is reacting to these pressures by increasing rates, offering lower coverage limits with less desirable terms, increasing deductibles, declining to write new business or even non-renewing existing policies. Most condos are seeing renewal premiums increase by 150% to 800% compared to expiring, with most

averaging around 400% to 500%. Insurance companies are requiring large increases in the estimated replacement cost of buildings due to increased costs for construction materials and labor since 2020.

Limited Options in Hawaii

Currently, Hawaii has only three major standard market insurers for condos. These three companies insure most of the fire-resistant high-rise buildings in the state. Additionally, there are three major insurers covering the majority of Hawaii's wood frame and joisted masonry associations. Most of these companies are not writing new business in 2024, and few insurers are willing to offer more than \$10 million of coverage for each association. Condos are seeing layered insurance renewals involving more than five companies, with some complexes needing more than 15 companies to secure full coverage.



"You're just the kind of person we're looking for to test our airline seats."

Taking Note

Mimi Yoshikawa

In *Forbes'* annual ranking of America's Top Women Wealth Advisers and Top Women Wealth Advisers Best-in-State, **Christina Hom** has been named to the 2024 List—an exceptional honor! ... Congratulations to **Sally and Jim Stewart** who celebrated their 67th Anniversary on May 10.... **Mark Russell** has been a piano teacher locally as well as in Europe and Asia.. **Dr. Chan Pong** has been a practicing cardiologist since 1978... **Dr. Kevin Woolley** is an anaesthesiologist whose avocation is flying and teaching others to fly small planes... **Steve Chang** has supported four blind orphans in Thailand for 12 years. He has taught English locally as well as in China, Vietnam and Thailand... **Kathy Crosier** has given numerous organ recitals locally and internationally.