



Wayne House  
Board President

## AOAO KANALOA AT KONA



### PRESIDENT'S LETTER June 12th, 2024

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Aloha Kanaloa Owners,

This note is regarding a subject we have been struggling with for the past couple of years. That is, insurance for the Kanaloa property. This year is particularly troubling for associations across the Hawaiian Islands and even the rest of the US. There are stories of very large increases for associations across the state of Hawaii. I mentioned briefly during my Treasurer's Report at the April meeting we were probably going to be hit with a larger-than-normal insurance bill.

See this recent article - <https://search.app/RKoV5W1DPF7z7NLY8>

We received our bill for the '24/'25 year, an 82% increase over the 23/24 policy. We had budgeted for an increase of 25%, but that was obviously underestimated. We knew the Lahaina disaster would affect us; we just didn't know how much.

In past years, our broker, Insurance Associates, allowed us to pay our premiums on a monthly plan, over 10 months. They financed the premium payments for free for Kanaloa. This year, they were not able to do this and the entire premium, about \$745,000 is due at the beginning of the policy. This is quite a change for us.

The action the BOD is taking is to finance the premium over 7 months with a finance company in order to smooth out the cash flow.

In order to make up for the difference in premium as compared to our budget for the year, approximately \$145,000, we will need to levy a **second special assessment** this year for the insurance increase. It is expected that this 2<sup>nd</sup> Special Assessment will come out to you by July 1, with a due date 30 days later. **This is in addition to the one you will receive in the mail shortly for the 2025 tenting of the property for termites that was approved at the April meeting.**

Your Board of Directors has approved these two actions, payment/financing of the insurance premium and the Special Assessment for insurance. These actions will be formalized at the July 26, 2024 meeting at Kanaloa. At this point, our calculations indicate that this second special assessment will range from \$650 to \$990, depending on the square footage of your unit.

Mahalo for your understanding of this very difficult time for Kanaloa.

Wayne