



Your local provider for condominium and association insurance.

**MARCH 2026 NEWSLETTER**  
INDUSTRY NEWS, TIPS, TRICKS, & RESOURCES

# Aging Buildings, Emerging Risks: Why Inspections Can't Wait

As condominium buildings age, the importance of proactive electrical and plumbing inspections becomes essential. For buildings over 20 years old, especially those built before 1990, evolving building and safety codes and material standards require associations to update maintenance and risk management plans.

Older electrical systems with outdated components are unsafe by today's standards. Buildings built before 1990 may contain aging aluminum wiring, outdated breaker panels, or poor grounding systems, which can cause overheating, power failures, or fire hazards. Routine inspections help identify overloaded circuits, deteriorating insulation, and outdated infrastructure. These outdated components can't handle modern demands, especially as residents add high-powered appliances, EV chargers, and smart devices.

Similarly, plumbing systems in older condominium buildings face wear and corrosion that can go unnoticed until costly failures occur. Galvanized steel pipes, cast iron stacks, and polybutylene piping are common in many buildings built before 1990 and prone to leaks, scaling, and sudden ruptures. Regular plumbing evaluations allow associations to budget for systematic pipe replacement and upgrades, leading to water efficiency and pressure regulation.

The marketplace has also shifted significantly. Insurers are now imposing stricter underwriting requirements for aging buildings. Proof of recent electrical and plumbing inspections, or mandated system upgrades, becomes a condition of coverage. As a result, associations that neglect these inspections may face increased premiums or struggle to secure adequate insurance.

For condominium associations, regular electrical and plumbing inspections help extend the life of building systems, reduce risk, protect residents, and preserve the long-term value of the property. With these regular inspections, associations can anticipate system failures, plan for upgrades, and meet evolving insurance and regulatory inspections.



## JOIN US AT THESE UPCOMING EVENTS

**03/20** WESTERN OREGON CAI  
CA DAY | EMBASSY SUITES,  
WASHINGTON SQUARE **8 AM - 3 PM**

**04/16** OWCAM EXPO | EMBASSY  
SUITES, PORTLAND  
AIRPORT **8 AM - 4 PM**

**05/16** FREE DOCUMENT SHREDDING  
EVENT | ABI INSURANCE  
4800 SW GRIFFITH DRIVE  
BEAVERTON **9 AM - 12 PM**

# The Pros and Cons of Hiring Security Guards for Associations

Hiring private security guards is a consideration for associations looking to enhance safety for residents. While onsite security can offer benefits, it also comes with important financial, insurance, and liability considerations that boards should evaluate carefully.

One of the primary advantages of hiring security guards is increased visibility and deterrence. The presence of uniformed guards can sometimes discourage criminal activity. Guards can also patrol common areas, respond to disturbances, and provide residents with a greater sense of safety.

Insurance and liability risks are also critical considerations. While reputable security firms carry their own insurance, the association may still face exposure if a guard acts negligently, exceeds their authority, or fails to respond appropriately to an incident. Improper use of force or inadequate training can lead to lawsuits involving both the security provider and the association. To mitigate these risks, boards should require a contract that confirms a security vendor maintains adequate general liability, workers' compensation, professional liability coverage, and names the association as an additional insured on the policy. The contract also needs to include clear indemnification clauses.

We encourage any association to contact their insurance carrier before hiring a security firm. In some cases, especially if armed guards are hired, the association could become ineligible for insurance. Carriers want to know if the association has hired a security firm, regardless of whether the guards are armed or not.

Before hiring a security firm, associations need to carefully weigh the costs, insurance requirements, and liability risks. Thoughtful planning, discussions with the insurance agent, and proper vendor selection are essential in making security a benefit for the community.



# Insurance Terms 101: Subrogation

## *Subrogation defined*

Subrogation is the legal process that allows an insurance company to seek reimbursement from a negligent party after the company has paid an insurance claim.

## *Why is it important?*

Subrogation is important in condominium and HOA environments because multiple parties may be involved in a single loss. Subrogation allows the insurance company to provide payouts significantly quicker to the insured, while the insurance company works on seeking reimbursement from the at-fault party. This also helps the insurance carrier keep loss ratios low, which ultimately helps maintain lower insurance rates.

## *Who is subject to subrogation?*

Contractors, manufacturers, and renters are all examples of third parties that could be subject to subrogation if found liable for damages. Contractors and manufacturers may be liable for damage from faulty work or products. For example, a contractor installed a dishwasher that leaked and ruined the kitchen floor. The repair person discovered the dishwasher was shipped with a faulty part that caused the leak. In this case, the manufacturer would be liable. If a defective part has caused the problem, always save that part.

## *What is a waiver of subrogation?*

A waiver of subrogation prevents an insurance company from seeking compensation from an at-fault party. The insurance company must bear the full risk of an insurance payout without means of recovering claim payments. This clause is common in construction and vendor contracts and lease agreements. It helps prevent litigation and disruptions to the project timeline.

## *Final thoughts*

Subrogation is a tool that keeps insurance costs fair and claims balanced. By understanding how it works and when it applies, HOAs, boards, property managers, and policyholders can better navigate the claims process and protect their financial interests.



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