

# Community Association Management Liability

## KEVIN DAVIS INSURANCE SERVICES

### Your personal assets may be at risk

As a director, officer, trustee or even a volunteer of a community association, you can be held personally liable for decisions and actions made on behalf of your association. Consider the following:

- Directors, officers and trustees are usually not covered under general liability (GL) policies for their professional responsibilities
- State immunity statutes may not provide adequate protection for directors, officers and trustees

### Your association's assets are at risk too

- In most claims, the community association itself is named as a defendant
- State immunity statutes often provide little if any protection for the association
- Community associations are seeing an increase in the number of claims filed against them by community members as a result of decisions made by the board
- Community associations are seeing an increase in the number of claims filed by employees for employment practices issues

### Travelers has the protection you need

Community Association Management Liability insurance protects you as well as your association from damages (awards and settlements) and the defense costs resulting from wrongful act allegations and lawsuits.

Travelers offers a Community Association Management Liability insurance policy designed specifically for community associations, which offers some of the best enhancements available in the market today. This unique policy:

- Protects directors, officers, trustees, employees, volunteers and committee members, as well as the community association, with a broad definition of claim
- Has a duty to defend feature that provides legal defense for allegations of wrongful acts and covers associated defense costs
- Provides claims-made coverage with reporting of claims as soon as practicable but no later than 60 days after the end of the policy period
- Provides coverage for monetary and non-monetary claims
- Covers punitive and exemplary damages where insurable under applicable law

Kevin Davis Insurance Services and Travelers have come together to provide a comprehensive community association management liability policy designed specifically for community associations.

This partnership combines the industry knowledge and expertise of Kevin Davis and his staff with the financial strength and superior claim services of Travelers.

- Covers lawsuits and allegations involving wrongful termination, discrimination and general breach of fiduciary duty
- Provides coverage for a community association management organization
- Has optional coverage available for the builder/developer while acting as a member of the board

### All insurance policies are not created equal

In many cases the coverage available under a property or general liability policy does not provide the broad coverage available under stand-alone management liability policies. These policies/endorsements generally:

- Have additional exclusions not found in our policy
- May not cover the community association itself
- Do not provide a separate dedicated limit of liability for directors and officers (D&O) liability and employment practices liability
- May not cover employment practices claims
- Do not provide most of the enhancements required to fulfill the unique needs of community associations
- May not cover wage and hour claims
- Do not provide the benefit of a management liability claims specialist

Competing non-profit D&O policies may eliminate some of these concerns. However, most of them are not specifically designed for community associations and may not have all of the enhancements found in the Travelers policy.

## Still think you don't need Community Association Management Liability insurance?

- No organization or person is immune from being the target of a wrongful act allegation or lawsuit. You need defense
- Defense costs for such claims can be significant
- Community associations have limited resources to indemnify directors and officers, or respond to expensive litigation, settlement or damage awards

## Why Travelers

- We've provided effective insurance solutions for more than 150 years and address the needs of a wide range of industries
- We consistently receive high marks from independent ratings agencies for our financial strength and claims-paying ability
- With offices in every U.S. state, we possess national strength and local presence
- Our dedicated underwriters, risk control specialists and claim professionals offer extensive industry and product knowledge
- Our network of dedicated claim staff has expertise in community association professional liability and fidelity/crime claims

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## For more information

To receive a premium quotation or to learn more about non-profit management and organization liability insurance for community associations, please contact:



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