

▶ HAZARD/PROPERTY INSURANCE

This policy covers damage to the buildings and garages for fire, wind and other non-flood-related perils.

▶ FLOOD INSURANCE

This policy covers damage to the buildings from rising water from an exterior source.

↳ Examples of a flood loss are tidal surge, standing rainwater that affects more than 2 acres, rising of rivers, ponds, streams or lakes.

▶ GENERAL LIABILITY

This policy covers the association from lawsuits alleging bodily injury or property damage.

↳ For example, if someone trips and falls and sues the association, the general liability policy is the policy that would activate.

▶ CRIME INSURANCE

This policy is required by statute. It protects the commonly held association reserve and operating funds if they are stolen.

↳ The limit for the Association's coverage should match the maximum amount of funds on hand at any given time during the policy period.

▶ DIRECTORS & OFFICERS (D&O) INSURANCE

This policy protects the board members and officially appointed volunteers in their capacity of work for the association. Think of it as a 'board malpractice' policy.

↳ For example, if a rental application is improperly denied, and the applicant sues the board for not following the documents and incorrectly denying the application, the D&O coverage would protect the board.

▶ UMBRELLA INSURANCE

This policy is excess liability that goes over the top of the GL, D&O and Workers' Compensation.

↳ The GL and D&O each have a \$1MM limit. The umbrella is an excess limit of an additional \$25,000,000.

▶ WORKERS' COMPENSATION

This policy is intended to cover officially appointed volunteers and committee members if they are injured while performing duties on behalf of the association. Any volunteers should be authorized in the minutes of a board meeting.

↳ For example, if you have a volunteer that offers to pull weeds, and they hurt their back and sue the association, the Workers' Comp. is the policy that would protect the association.

↳ This policy also covers contractors hired by the association. Every contractor is supposed to provide proof of insurance, but every once in a while, things will fall through the cracks.

▶ EQUIPMENT BREAKDOWN

This policy covers mechanical equipment that services the buildings, such as A/C units, elevators, boilers, electrical systems and sprinkler systems. This policy will not cover wear and tear and is a supplement to the property/hazard policy. Equipment breakdown is going to cover internal mechanical breakdown of the equipment.

↳ For example, if a pool heat pump system is overused due to cold weather, and the overuse of the heat pump caused internal damage to the compressor, equipment breakdown coverage would activate.