



MANAGERS' EDUCATIONAL
BOOTCAMP

Understanding Insurance for Common Interest Developments

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WHAT IS INSURANCE



READING THE INSURANCE CERTIFICATE



WHAT CARRIER IS TRIGGERED FIRST



PROPERTY INSURANCE FOR CONDOMINIUM UNITS



WATER INTRUSION PROTOCOL



PUTTING CARRIERS ON NOTICE OF A CLAIM

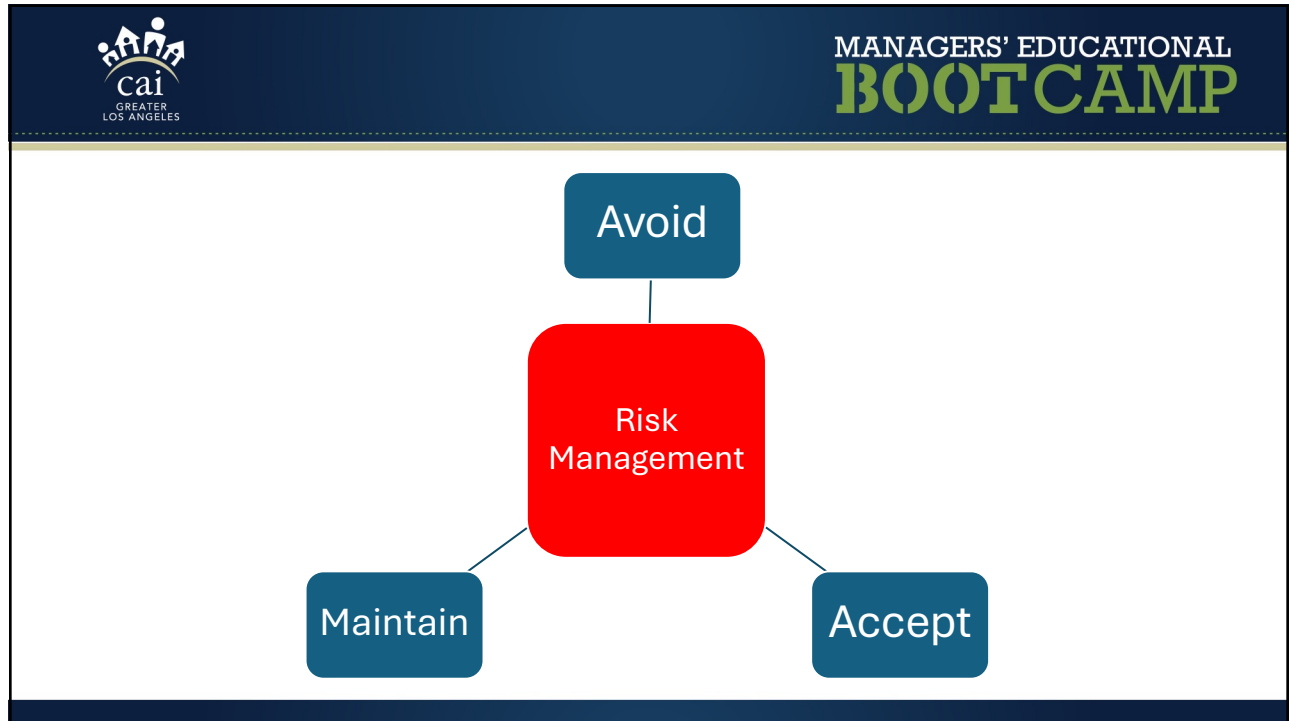


CLAIMS MADE, CLAIMS MADE AND REPORTED



INSURANCE AGENT/BROKER
HOA SPECIALIST


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Insurance

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Insurance

Property

General Liability and Cyber Liability


Directors & Officers Liability

Crime a.k.a. Fidelity Bonds


Umbrella

Workers Compensation

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**CERTIFICATE OF LIABILITY INSURANCE**

DATE (MM/DD/YYYY)
3/6/2025

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

Agent/Broker Address

CONTACT INFORMATION
PHONE (A/C No. Ext.): Agent/Broker Phone # FAX (A/C No.):
E-MAIL Address: Agent/Broker Email Address

HOA Name
C/O HOA Community Management
Mailing Address

INSURER(S) AFFORDING COVERAGE
INSURER A: Scottsdale Insurance Company NAIC # 15580
INSURER B: Federal Insurance 20281
INSURER C: Lexington Insurance Company 19437
INSURER D: PMA Insurance Group 12262
INSURER E: Accredited Surety And Casualty 26379
INSURER F:

COVERAGES

CERTIFICATE NUMBER: 1541170527

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDITIONAL SUBROGATION WAIVED	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY	<input type="checkbox"/> YES <input type="checkbox"/> NO	Carrier A Policy #	2/7/2025	2/7/2026	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$100,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR	<input type="checkbox"/> YES <input type="checkbox"/> NO				

CERTIFICATE HOLDER

CANCELLATION

HOA Community Management
Mailing Address


REPLACEMENT OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF. ANY POLICY WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

ACORD 25 (01/08/15)


The ACORD name and logo are registered marks of ACORD

The Certificate of Insurance is a summary of coverage in place for the community, and a resource for owners in a real estate transaction

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	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR	<input type="checkbox"/> YES <input type="checkbox"/> NO				

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The ACORD name and logo are registered marks of ACORD

The certificate is not an insurance policy

The certificate summarizes coverage, carriers, and other information into one place

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COVERAGES		CERTIFICATE NUMBER: 1541170527		REVISION NUMBER:		
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INSUR LTR	TYPE OF INSURANCE	ADD/DEBIT (NSD) (WVD)	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC. OTHER:	Y	Carrier A Policy #	2/7/2025	2/7/2026	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 GL Deductible (COMBINED SINGLE LIMIT (Ea accident)) \$ \$1,000
A	<input type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY		Carrier A Policy #	2/7/2025	2/7/2026	BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 0		Carrier B Policy #	2/7/2025	2/7/2026	EACH OCCURRENCE \$ 15,000,000 AGGREGATE \$ 15,000,000 \$ PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/>
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N <input type="checkbox"/> N/A				E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
C D E	Property Crime/Fidelity Bond Directors & Officers	Y Y	Carrier C Policy # Carrier D Policy # Carrier E Policy #	2/7/2025 2/7/2025 2/7/2025	2/7/2026 2/7/2026 2/7/2026	\$25,000 Deductible \$1,000 Deductible \$10,000 Deductible \$5,000,000 \$500,000 \$1,000,000

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C D E	Property Crime/Fidelity Bond Directors & Officers	Y Y	Carrier C Policy # Carrier D Policy # Carrier E Policy #	2/7/2025 2/7/2025 2/7/2025	2/7/2026 2/7/2026 2/7/2026	\$25,000 Deductible \$1,000 Deductible \$10,000 Deductible	\$5,000,000 \$500,000 \$1,000,000
DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required) HOA consists of 22 units. Located in Laguna Beach, CA. Management Company is Additionally Insured on the General Liability, D&O Liability, and Fidelity Bond. See 2nd page of certificate of insurance for further coverage information. See Attached...							
CERTIFICATE HOLDER HOA Community Management Mailing Address				CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 			

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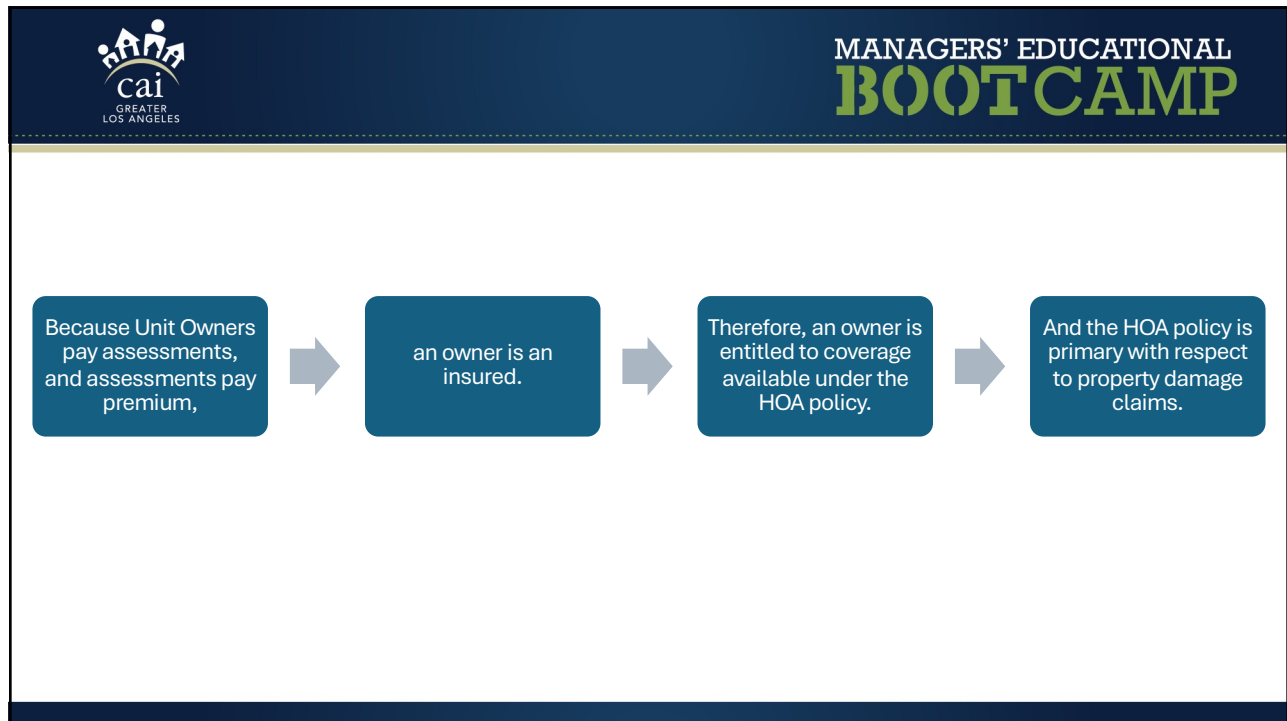
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		MANAGERS' EDUCATIONAL BOOTCAMP	
AGENCY CUSTOMER ID: Agent/Broker File # _____ LOC #: _____			
		ADDITIONAL REMARKS SCHEDULE	
Page <u>1</u> of <u>1</u>			
AGENCY Agent/Broker Name _____ POLICY NUMBER _____		HOA Name C/O HOA Community Management Mailing Address _____	
CARRIER _____	NAIC CODE _____	EFFECTIVE DATE: _____	
ADDITIONAL REMARKS			
THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM. FORM NUMBER: <u>25</u> FORM TITLE: CERTIFICATE OF LIABILITY INSURANCE			
Single Entity Coverage (Walls In, excluding Improvements and Betterments) Coverage Includes: Special Form with 100% Replacement Cost for the entire project, including common elements *Wildfire Deductible: \$250,000 Wind/Hail (excludes direct loss to Trees/Shrubs) Equipment Breakdown Building Ordinance or Law A+B+C Inflation Guard Severability of Interest / Separation of Insureds Computer Fraud & Funds Transfer Fraud Waiver of Rights of Recovery No Co-Insurance D&O is a Claims-Made Policy Hired and Non-Owned Auto Liability			

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		MANAGERS' EDUCATIONAL BOOTCAMP	
Single Entity Coverage (Walls In, excluding Improvements and Betterments) Coverage Includes: Special Form with 100% Replacement Cost for the entire project, including common elements *Wildfire Deductible: \$250,000 Wind/Hail (excludes direct loss to Trees/Shrubs) Equipment Breakdown Building Ordinance or Law A+B+C Inflation Guard Severability of Interest / Separation of Insureds Computer Fraud & Funds Transfer Fraud Waiver of Rights of Recovery No Co-Insurance D&O is a Claims-Made Policy Hired and Non-Owned Auto Liability Earthquake & Flood Coverage: Carrier: Golden Bear Insurance Policy Number: 123456789 Policy Term: 2/7/2025 - 2/7/2026 Limit: \$5,395,136 Earthquake Deductible: 20% Per Unit, Subject to \$25,000 Flood Deductible: 5% Per Unit, Subject to \$25,000 Excess Property Coverage: \$2,619,959 XS 5M Excess Property Carrier: Underwriter at Lloyd's of London Excess Property Policy Number: 987654321			

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Walls in (a.k.a., all in or all inclusive): Pick the condominium unit up and flip it over. Coverage is provided for everything that stays stuck inside.

Walls in, excluding improvements (a.k.a., single entity): Pick the condominium unit up and flip it over. Coverage is provided for everything that stays stuck inside, of similar type and style as the original installation. Improvements are insured by the unit owner.

Bare walls: Stand in the threshold of your front door. Put one hand on the building, and the other on the inside wall. Coverage is provided for everything between your palms. All interior finishes are insured by the unit owner.

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Water intrusion protocols can be an easy way to explain to unit owners their responsibility in the event of a water loss

Keep in mind that insurance responsibility and repair/maintenance responsibility are two different things

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What do you do if you receive a threat of legal action?



Notify legal counsel

Contact Agent/Broker to discuss tendering to insurance carrier

Follow the advice of your experts

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REQUEST FOR RESOLUTION

- Claim Triggering Coverage
 - GL Claim
 - D&O Claim
- Put Carrier on Notice?
- Tender Claim?

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Directors and Officers Liability Insurance Policy Forms

Claims Made

The carrier in place when the claim is made is the one that responds

Claims Made *and* Reported

The carrier in place when the claim is made is the one that responds, but the claim needs to be reported to the carrier during the same policy term in which the claim was made, or within 60-days of expiration of that policy

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FIDELITY/CRIME LOSS CLAIMS

- **Strict Carrier Notice Requirement**
 - Dictated by terms of policy
 - Typically 60 days from “discovery of loss”
 - “Discovery of Loss” – Objective Standard
- **Sworn Proof of Loss**
 - Typically 90 to 120 days from Discovery of Loss
 - Must prove theft – Missing or Unaccounted Funds are not Enough
- **Contact Attorney/Agent Upon Suspicion of Theft**

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Real-World Insights

- **Coordinating with Insurance and Legal Teams**
 - Always involve your insurance broker and legal counsel early—especially when a claim or legal threat arises.
 - Maintain a contact sheet with after-hours numbers for urgent claims like water intrusion or fire.
- **Managing Owner Expectations**
 - Clearly explain what the HOA policy covers versus what homeowners must insure themselves (e.g., HO-6 policies).
 - Use visual aids or analogies (like the “flip the unit” method) to help owners understand coverage types.
- **Documentation is Your Best Defense**
 - Keep detailed records of maintenance, inspections, and all communications.
 - Use incident logs and photo documentation for all reported issues, especially water damage or slip-and-falls.
- **Claims Handling Tips**
 - Submit claims promptly and follow up regularly with adjusters.
 - Track all correspondence and decisions in a centralized system such as HOA management software.

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Practical Risk Management from the Field

- **Vendor Oversight**
 - Require vendors to submit updated Certificates of Insurance (COIs) annually with proper endorsements.
 - Verify that vendors carry workers' compensation and general liability insurance—even for small jobs.
- **Preventative Maintenance**
 - Schedule regular inspections of roofs, plumbing, and foundations to prevent costly claims.
 - Address minor issues before they escalate into major insurance events.
 - Conduct Annual Meetings of owner responsibility/HOA Welcome Packet
- **Board Education**
 - Provide annual training on insurance basics and fiduciary responsibilities.
 - Encourage board members to ask questions and consult professionals before making insurance decisions.
- **Emergency Preparedness**
 - Maintain an emergency response plan for natural disasters, including insurance contact protocols.
 - Conduct annual drills or tabletop exercises with the board and key vendors.

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Appointed to represent the product offerings of a specific insurance carrier.

State Farm Agent, Farmers Insurance Agent
In most cases, are limited to the offerings of the carrier with which they are appointed.

Access available carriers on behalf of a client to find coverage for various lines of insurance. Cannot access carriers such as State Farm and Farmers



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Common Interest Development Insurance Specialist

Can be an agent or a broker

CIRMS – Community Insurance and Risk Management Specialist



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Presenter Contact Information



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