Community Association Professional Liability

COMMUNITY ASSOCIATION PROFESSIONAL LIABILITY APPLICATION

All questions must be answered and application must be signed by the President, Chairperson or Property Manager.

This section of the application is for a claims made policy. Please read your policy carefully. **Defense Costs shall be applied against the Retention.**

1. Name of Association: _____
2. Mailing Address: _____
   Location Address: _____
3. Website Address: _____ E-mail Address: _____
4. Person to receive all notices on behalf of the insured: _____ Title & Phone Number: _____
5. Name of Property Manager or Firm: _____
6. Type of Association: ❑ Residential Condominium ❑ Homeowner ❑ Townhome ❑ Retail Assoc.
   ❑ Property Owner ❑ PUD (Planned Unit Development) ❑ Master Assoc. ❑ Timeshare ❑ Cooperative
   ❑ Mobile Home Park ❑ Business/Office Parks
7. Total number of units: _____ Number of employees: _____
8. Date organized: _____ Date final unit completed _____
9. Does the Association have an affiliation with, own or maintain the following:
   a. Airport or Airstrip ❑ Yes ❑ No
   b. Country Club for outside members ❑ Yes ❑ No
   c. Golf Course ❑ Yes ❑ No
   d. Water Treatment Facility ❑ Yes ❑ No
   e. Sewage Treatment Facility ❑ Yes ❑ No
   f. Timeshare Units ❑ Yes ❑ No
10. Does the Association have a positive fund balance? ❑ Yes ❑ No
11. Does the builder, developer or agent maintain representation on the Board? ❑ Yes ❑ No
12. Are over 70% of the units sold? ❑ Yes ❑ No If No, % _____
13. Are over 90% of the units rented/leased? ❑ Yes ❑ No
14. Does any person(s) or entity including, but not limited to the builder or developer, own multiple units comprising more than 10% of the total number of units? ❑ Yes ❑ No
    If yes, list the name of the person(s) or entity and the percentage of units owned by each: _____
    _____
15. Is complex being constructed on a phase basis? ❑ Yes ❑ No
    If yes, are at least 70% of the total number of units upon completion of all phases sold? ❑ Yes ❑ No
16. Does average unit value exceed $1,000,000? ❑ Yes ❑ No
17. Any Retail Occupancy (restaurant, dry cleaner, etc.) ❑ Yes ❑ No If Yes, % _____
18. Current Insurance:

	Limit	Deductible	Insurance Company	Policy Period	Premium
Directors & Officers Liability					
General Liability					

19. Has any Policy for Directors and Officers Liability ever been cancelled or non-renewed? ❑ Yes ❑ No
    If yes, please provide details: _____

20. Within the last 24 months:
    a. Has the Association completed a foreclosure sale against a unit owner? ❑ Yes ❑ No
    b. Have any Board elections been challenged? ❑ Yes ❑ No
    c. Has the Board taken legal action against a unit owner for reasons other than the collection of dues or fees? ❑ Yes ❑ No
    d. If yes to any of the above, please provide details including unit owner name and date of event.

21. Within the last 5 years, have there been any countersuits as a result of liens or foreclosures? ❑ Yes ❑ No
    If yes, advise on a separate sheet details of the suit(s), including defense costs incurred and damages paid.

22. Within the last 5 years, has any claim been made, is any claim being made, or is any claim now pending against the Association, or any person proposed for Insurance in the capacity of Director, Officer, Trustee, Employee or Volunteer of the Association? ❑ Yes ❑ No
    If yes, advise on a separate sheet details of the claim(s), including defense costs incurred, damages paid, whether it was covered by Directors and Officers Liability Insurance and remedial measures taken to prevent a recurrence of such claim(s).

23. Is any person(s) proposed for this Insurance aware of any fact, circumstance or situation which may result in a claim against the Association or any of its Directors, Trustees, Officers, Employees or Volunteers? ❑ Yes ❑ No
    If yes, please explain: _____

New York Disclosure Notice: This policy is written on a claims made basis and shall provide no coverage for claims arising out of incidents, occurrences or alleged wrongful acts that took place prior to the retroactive date, if any, stated on the declarations. This policy shall cover only those claims made against an insured while the policy remains in effect and all coverage under the policy ceases upon termination of the policy except for the automatic extended reporting period coverage unless the insured purchases additional extend reporting period coverage. The policy includes an automatic 60 day extended claims reporting period following the termination of this policy. The Insured may purchase for an additional premium an additional extended reporting period of 12 months, 24 months or 36 months following the termination of this policy. Potential coverage gaps may arise upon the expiration for this extended reporting period. During the first several years of a claims-made relationship, claims-made rates are comparatively lower than occurrence rates. The insured can expect substantial annual premium increases independent overall rate increases until the claims-made relationship has matured.

Virginia Notice: You have an option to purchase a separate Limit of Liability for the extension period, policy common conditions VII. If you do not elect this option, the Limit of Liability for the extension period shall be part of and not in addition to the limit specified in the declarations. Statements in the application shall be deemed the insured's representations. A statement made in the application or in any affidavit made before or after a loss under the policy will not be deemed material or invalidate coverage unless it is clearly proven that such statement was material to the risk when assumed and was untrue.

Minnesota Notice: The clause "and/or authorization or agreement to bind the insurance." is replaced with "Authorization or agreement to bind the insurance may be withdrawn or modified based on changes to the information contained in this application prior to the effective date of the insurance applied for that may render inaccurate, untrue or incomplete any statement made with a minimum of 10 days notice given to the insured prior to the effective date of cancellation when the contract has been in effect for less than 90 days or is being canceled for nonpayment of premium.

Colorado Fraud Statement: It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado division of insurance within the department of regulatory agencies.

District of Columbia Fraud Statement: WARNING: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.

Florida Fraud Statement: Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

Kentucky Fraud Statement: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.

Maine and Washington Fraud Statement: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines or a denial of insurance benefits.

New Jersey Fraud Statement: Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

New York Fraud Statement: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

Ohio Fraud Statement: Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

Oklahoma Fraud Statement: WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

Pennsylvania Fraud Statement: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

Tennessee and Virginia Fraud Statement: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

Fraud Statement (All Other States): Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

If the primary address of the location listed in item #1 is in the state of **New York**, **Iowa**, or **Florida**, the states of **New York**, **Iowa** and **Florida** require that we have the name and address of your (insured's) authorized Agent or Broker.

Name of authorized Agent or Broker_____

Address: _____

Agent or Broker License number _____

Mail complete application through local Agent or Broker to:_____

_____

The undersigned declares that to the best of his/her knowledge and belief the statements set forth herein are true. The undersigned further declares that any occurrence or event taking place prior to the effective date of the insurance applied for which may render inaccurate untrue, or incomplete any statement made will immediately be reported in writing to the Insurer and the Insurer may withdraw or modify any outstanding quotations and/or authorization or agreement to bind the insurance. The Insurer is hereby authorized, but not required, to make any investigation and inquiry in connection with the information, statements and disclosures provided in this Application. The decision of the Insurer not to make or to limit any investigation or inquiry shall not be deemed a waiver of any rights by the Insurer and shall not estop the Insurer from relying on any statement in this Application in the event the Policy is issued. It is agreed that this Application shall be the basis of the contract should a policy be issued and it will be attached and become a part of the Policy.

Signature: _____

President, Chairperson or Property Manager

Date:_____ Title:_____

COMMERCIAL CRIME COVERAGE (OPTIONAL)

All questions below must be answered and this section of the application must be signed by the President or Chairperson if Commercial crime Coverage is desired. *This section of the application is for a loss sustained policy. Please read your policy carefully.* All fraud statements above are applicable to the Commercial Crime Coverage below.

Organization Background

24. Annual Association Revenue: current year: $_____ Number of years in operation: _____
25. Are there sources of income other than dues, assessments and investments? ❑ Yes ❑ No
    If Yes, please explain: _____

Insurance Coverage Information

26. Does the Organization have Crime Coverage? ❑ Yes ❑ No
    Carrier Name _____ Policy Period _____ Limits carried _____
    Deductible _____ Premium _____ First year of continuous coverage _____
27. Does the association have a property manager? ❑ Yes ❑ No
    If yes, does the property manager carry Insurance for Employee Theft? ❑ Yes ❑ No ❑ Unknown
    Limit of liability _____
    If no, does the association segregate duties so no one person has access to or processes an entire transaction (e.g. check signing, payment and processing)? ❑ Yes ❑ No

Organization Operation Details

28. Does the association have an annual financial statement prepared? ❑ Yes ❑ No
29. Is a financial statement prepared by an outside accountant independent of the association and property manager (if any)? ❑ Yes ❑ No
30. Is the association's bank account(s) reconciled by someone other than the person also authorized to withdraw, deposit or transfer funds? ❑ Yes ❑ No
    If yes, how often: ❑ Quarterly ❑ Semi Annually ❑ Annually ❑ Other _____
31. What threshold amount on checks written by the association requires a countersignature?
    Amount $ _____
    ❑ All checks require a countersignature ❑ No checks require a countersignature (explain) _____

Claim Information:

32. Within the past 5 years, have there been any incidents, occurrences or claims for theft, embezzlement, larceny, robbery, unlawful taking or other forms of dishonesty involving the proposed Named Insured or any person proposed for this insurance? ❑ Yes ❑ No
    If yes, advise by attachment, the following for each claim: description of loss, date of loss, amount of loss, amount recovered (if any), name & position of person(s) involved, corrective action taken to prevent repetition, is the individual(s)involved in the theft, embezzlement, larceny, robbery, unlawful taking or other forms of dishonesty still involved in the affairs of the association in any capacity (as a board member, employee, committee person or other volunteer).
33. Is any person proposed for this Insurance aware of any fact, circumstance or situation that may give rise to a claim by the Named Insured proposed for this Insurance involving theft, embezzlement, larceny, robbery, unlawful taking or other forms of dishonesty involving the proposed Named Insured or any person proposed for this insurance? ❑ Yes ❑ No
    If, yes, provide details by separate attachment.

Signature: _____
President or Chairperson

Date: _____ Title: _____

Required Information:

Most recent 12 month financial statement (if audited, submit full audit including auditor's notes)