

Get the McGowan Edge

- Let us audit your existing Directors & Officer's coverage;
- Let us provide you with our suggestions;
- Compare Your product to the McGowan Product Solution;
- Get additional McGowan Risk Management material;
- Ask about our McGowan seminars available to our insureds;
- Have your insurance agent and/or your property manager contact us.



*America's Leading Underwriter
of Insurance Products for
Community Associations
Have your local agent call us!*

McGowan & Company, Inc.

Home Office
Old Forge Centre
20595 Lorain Road
Fairview Park, OH 44126

phone (440) 333-6300
toll free (800) 545-1538
fax (440) 333-3214

www.mcgowanins.com

McGowan & Company, Inc.
Risk Management Series



NOT ALL
D&O
IS CREATED EQUAL

Does my association's Directors & Officers policy adequately protect me?

WHAT YOU NEED TO KNOW:

Directors & Officers

I am not on the board, why should I care about the D&O Coverage?

Virtually all associations provide indemnity to volunteer board members. Thus, if something the board does is not covered by the Board's D&O policy, the association will be specifically assessed to pay the uninsured claim. That means you, the association member.

Isn't all D&O coverage basically the same?

There are some dramatic differences between what different insurers offer. In fact, many of the direct writers of insurance with names we are all familiar with, provide coverage within their package policies for the association that are critically "bare-bone" policies. You should not reasonably expect the same coverage when you spend \$300 as opposed to \$750.

Why would a broker sell me inadequate coverage?

Some brokers are captive agents of insurers and can only sell you what the insurer offers. Sometimes those carriers are not specialists in the risks of an industry-specific product, like D&O. Often, the insurer may insert a basic coverage so the broker does not need to go elsewhere.

Doesn't the Association have to accept all the coverages from these direct writers?

If the direct writers of community association packages do not provide equal or better coverage, the broker is generally permitted to go elsewhere to supplement the coverage. In your due diligence, you should place the burden on your direct insurance agent to guarantee that the coverage being provided in his or her package is as good as, if not better than the available stand alone products on the market. Unfortunately, very few of these agents will be able to give you the guarantee.

I am only an Association member, what can I do?

As an association member, you technically need only pay your membership fees and assessments, and follow the association rules. The reality, is that the board represents you and your interest and can, by its conduct, expose you to liability either directly or indirectly through special assessments. Accordingly, even more important than, when you actually sit on the board and have a vote, you need to make sure the association has strong coverage to avoid any unnecessary exposure when you are not around to help protect your interests as a board member.

Where do we start?

You start with community association specialists. You ask the specialist why his or her product is best. You ask what other products have that the specialist's product does not have?

Does Your Community Association's Directors & Officer's Liability Policy Cover...

- Past, present and future board members?
- Spouses, committee members, leased employees, property managers, and volunteers?
- Defense of breach of contract claims?
- Defense of failure to maintain or obtain insurance claims?
- Libel and slander?
- Invasion of privacy or interference with right of quiet enjoyment?
- Discrimination, including third party?
- Wrongful employment practices, including sexual harassment claims?
- Emotional distress claims, other than arising from wrongful employment practice claims?
- Architectural review committee decisions?
- Developer on the board?
- Defense outside the limits?
- Non-monetary claims?