

Residents' Associations Insurance



A residents' association (RA) shoulders not only the well-being of a community but also many of its inherent risks. Because each association differs in purpose and objectives (some may represent general members' interests, others may only respond to specific issues such as neighbourhood crime), it is imperative to understand the details of your association's cover and shape it to meet your association's needs.

Often, members of an RA are at risk whether they know it or not. Mind the gaps in your association's cover so you and your fellow members are not making costly payments when the unexpected happens.

Residents' Association Insurance Basics

All RAs should possess general property and liability insurance, but these policies cannot provide you with comprehensive protection. The more you consider an RA's policy, the more complicated it becomes—how much cover does the insurance actually supply? Are the association's motor vehicles covered? What about any employees and officers?

Property, money flow, workers, officers—a robust RA requires much of the same insurance as a regular business. Everything from vehicle operation to officer conduct can be a source of liability. You should quickly find and plug the gaps in your association's cover.

Filling Cover Gaps

In order to identify where your RA is most vulnerable, think about every action and function your RA takes and fulfils; nearly all of these interactions can be a source of liability for the community. Consider the following common types of RA cover:

- **Directors' and officers' liability** covers an RA if it is sued for misappropriated funds or officer negligence. That way all the members of an RA will not be held responsible for the actions of one officer. It typically provides legal representation, but excludes cover in the event of proven fraud or illegal profit.
- **Employers' liability** is mandatory if an RA has any employees. It indemnifies employers against costs associated with disease or bodily injury that employees suffer on-site.
- **Public liability** applies to common or shared areas. It will protect your group if an outside party is injured. Your RA may need a bespoke public liability policy depending on whether it represents a group of houses in a community or a block of flats. For example, an RA with members exclusively from a block of flats should consider insuring its common areas, such as the foyer.
- **Employee dishonesty** protects the community from several kinds of theft and fraud perpetrated by its officers or employees. Even though you may be a well-intentioned member, all it takes is one unscrupulous employee to ruin it for everyone else. Employee dishonesty cover helps mitigate this risk.
- **Additional covers** can include libel or slander, legal expenses, errors and omissions, personal accident, contents, money and more. Whether or not your community's RA operates as a business, it probably still holds assets that would necessitate contents or money policies. Most RAs require members to pay membership fees to help pay for

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meeting expenses, publicity, refreshments and various initiatives. RAs should work to safeguard the equipment and money they possess.

Completing Your Cover

The variety and depth of RA cover can be daunting and difficult to navigate. A broker who understands your community is crucial to getting complete cover. Call Sirelark Risk Services and discuss any changes to your community or concerns you may have about your RA's cover. Together, we can determine the insurance your association needs to protect the assets of your living community.