

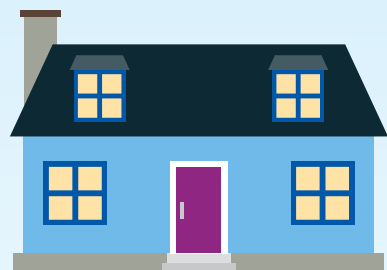


In Step with  
Community  
Associations

Discover the most common directors & officers (D&O)  
liability claims facing nonprofit community associations<sup>1</sup>,  
and risk management tips to reduce your exposures!

# TOP TEN

## Claim Drivers for Community Associations

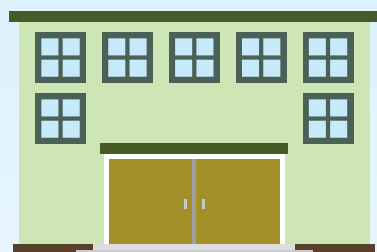


**18%**  
of claims

### Discrimination

- Consider homeowner requests carefully; if one request is granted but a similar one is denied, it can lead to a discrimination or selective enforcement claim
- Comply with the Americans with Disabilities Act (ADA)<sup>2</sup> or Fair Housing Act (FHA)<sup>3</sup> regarding assistance animal requests

1



**13%**  
of claims

### Maintenance / Repair of Common Elements

- Conduct regular inspections to identify maintenance needs and to ensure community is safe and enjoyable for homeowners
- Reserve funds for costly repairs and conduct study to identify short- and long-term budget needs

2



**12%**  
of claims

### Improper Assessments

- Conduct assessments fairly and equally for all
- Be transparent about why a special assessment may be required, and provide sufficient notice beforehand

3



**8%**  
of claims

### Architectural Review Decisions

- Respond to homeowner architectural requests in a consistent and timely manner
- Follow bylaws from the association Covenants, Conditions & Restrictions (CCRs) document

4

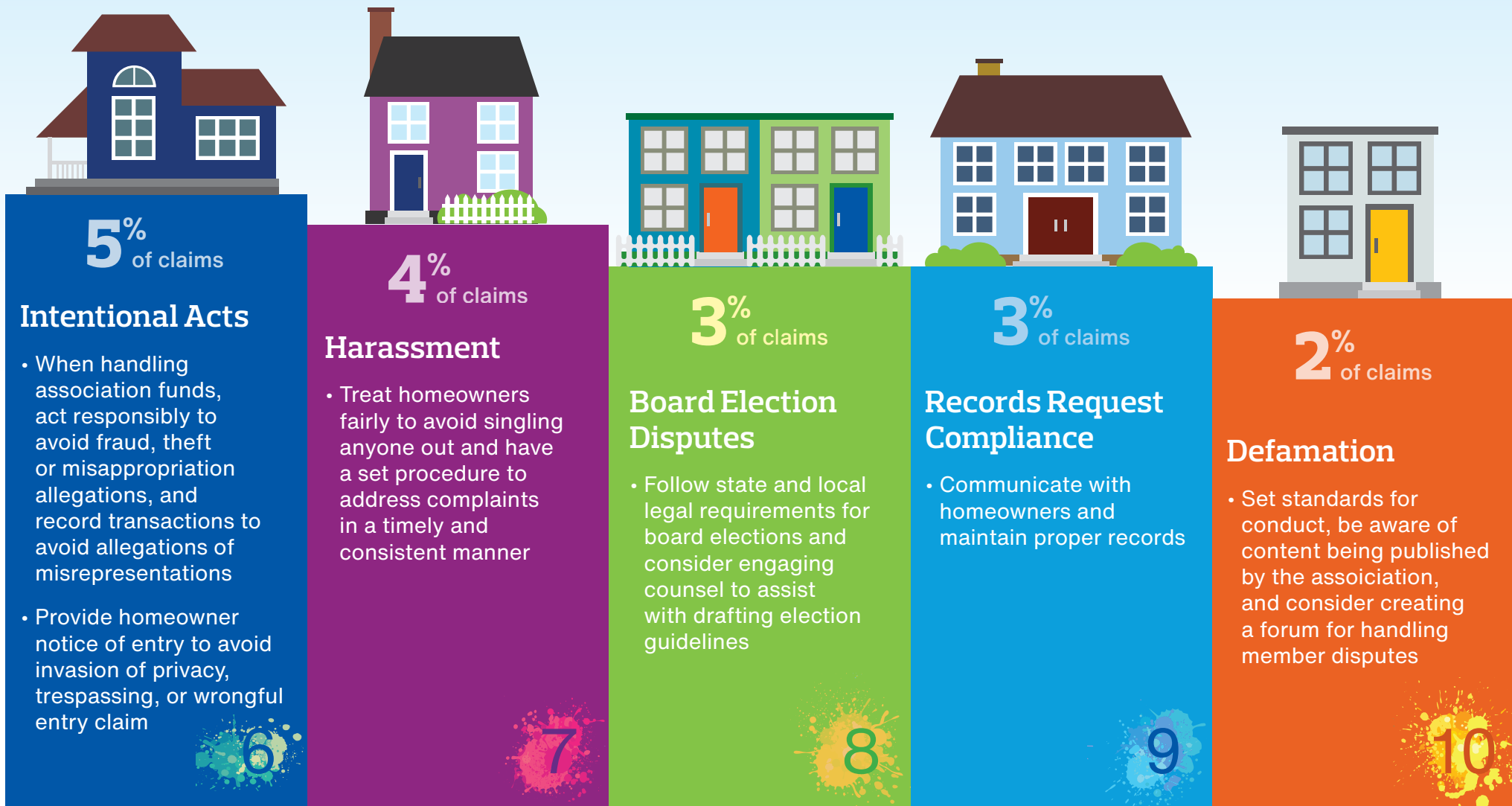


**6%**  
of claims

### Breach of Contract

- Follow your board member fiduciary duties, put association needs above personal ones, and conduct due diligence when entering a contract with an outside vendor

5



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<sup>1</sup> Based on CNA claims data between January and September 2023. For more information on these drivers: <https://www.ihginsurance.com/Risk-Education/Other/What-it-Means-to-be-a-Member-of-the-Board-An-Onboarding-Guide>

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