

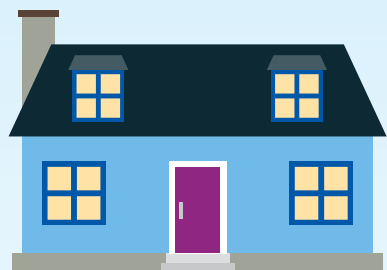


In Step with
Community
Associations

Discover the most common directors & officers (D&O)
liability claims facing nonprofit community associations¹,
and risk management tips to reduce your exposures!

TOP TEN

Claim Drivers for Community Associations

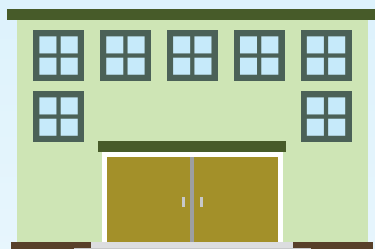


21%
of claims

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

1



15%
of claims

Discrimination

(including selective enforcement, ADA & FHA-
(ESA)

- 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)² or Fair Housing Act (FHA)³ regarding assistance animal requests

2



11%
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



5%
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




5%
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



5%
of claims

Intentional Acts

Includes Fraud, Theft
Misappropriation, Invasion of
Privacy, Trespass, Wrongful Entry,
Misrepresentations

- When handling association funds, act responsibly to avoid fraud, theft or misappropriation allegations, and record transactions to avoid allegations of misrepresentations
- Provide homeowner notice of entry to avoid invasion of privacy, trespassing, or wrongful entry claim

3%
of claims

Harassment

- Treat homeowners fairly to avoid singling anyone out and have a set procedure to address complaints in a timely and consistent manner

Defamation

- Set standards for conduct, be aware of content being published by the association, and consider creating a forum for handling member disputes

3%
of claims

Board Election Disputes

- Follow state and local legal requirements for board elections and consider engaging counsel to assist with drafting election guidelines

2%
of claims

Wrongful Foreclosure

1%
of claims

Easement Disputes

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¹ Based on CNA claims data from 2024. 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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