

# With Responsibility... Comes Risk!

## Your Personal Assets May Be At Risk

As a director, officer, trustee, or even a volunteer of a community association, you can be held **PERSONALLY** liable for decisions and actions made on behalf of your association. Consider the following:

- In over 33% of all claims there was insufficient indemnification provided by the association/organization. \*
- Directors, officers and trustees are usually not covered under general liability (GL) policies for their professional responsibilities.
- State immunity statutes may not provide adequate protection for directors, officers and trustees.

## Your Association's Assets Are At Risk Too!

- In most claims, the community association itself is named as a defendant.
- State immunity statutes often provide little if any protection for the association.
- Community associations are seeing an increase in the number of claims filed against them by community members as a result of decisions made by the Board.
- Community associations are seeing an increase in the number of claims filed by employees for employment practices issues.

\*2004 Tillinghast/Watson Wyatt Non-Profit D&O Liability Survey

## Kevin Davis Insurance Services Has The Protection You Need

Directors and officers (D&O) liability insurance protects you as well as your association from damages (awards and settlements) and the defense costs resulting from wrongful act allegations and lawsuits.

Travelers Insurance offers a D&O liability insurance policy designed specifically for community associations, which offers some of the best enhancements available in the market today. This unique policy:

- protects directors, officers, trustees, employees, volunteers and committee members, as well as the community association with a broad definition of claim;
- has a duty to defend feature that provides legal defense for allegations of wrongful acts and covers associated defense costs;
- provides claims made coverage with reporting of claims "as soon as practicable" after the end of the policy period;
- provides coverage for monetary and non-monetary claims;
- covers punitive and exemplary damages where insurable under applicable law;
- covers lawsuits and allegations involving wrongful termination, discrimination, and general breach of fiduciary duty;
- provides coverage for an independent community management company; and
- has optional coverage available for the builder/developer while acting as a member of the Board.

## All Directors and Officers Policies Are **Not** Created Equal

In many cases the coverage available under a property or general liability policy does not provide the broad coverage available under standalone directors and officers policies.

These policies/endorsements generally:

- have additional exclusions not found in our policy;
- may not cover the community association itself;
- do not provide a separate limit of liability;
- may not cover employment practices claims;
- do not provide most of the enhancements required to fulfill the unique needs of community associations; and
- do not provide the benefit of a Directors and Officers Liability claims specialist.

Competing Non-Profit D&O policies may eliminate some of these concerns. However, most of them are not specifically designed for community associations and may not have all of the enhancements found in the Travelers Insurance Policy.



**Specialists in Community  
Association Programs**

**Because the right people  
do make a difference.**

### **Still Think You Don't Need D&O Liability Insurance?**

- No organization or person is immune from being the target of a wrongful act allegation or lawsuit. You need defense!
- Average defense costs for such claims are in excess of \$100,000.\* Can you personally afford to defend yourself?
- Community associations have limited resources to indemnify directors and officers or respond to expensive litigation, settlement or damage awards.

*\*2004 Tillinghast/Watson Wyatt Non-Profit D&O Liability Survey*

### **We've proven our leadership through:**

- Extensive customer, industry and product expertise
- Continued development of responsive and innovative professional liability products
- Superior service to our agents, brokers, and customers

### **Prompt, Fair Claim Resolution**

- Bond Claim Managers are located in underwriting offices throughout the country to provide personalized service to each region's customers.
- Our network of dedicated Bond Claim staff has expertise in professional liability and fidelity/crime claims.
- Field Claim Managers work directly with policyholders, agents and brokers both at the point of sale and in claim situations.

Kevin Davis Insurance Services and Travelers Insurance have come together to provide a comprehensive Directors and Officers Liability policy designed specifically for Community Associations. This partnership combines the industry knowledge and expertise of Kevin Davis and his staff with the financial strength and claims service of Travelers Insurance.

For more information or a premium quotation for Travelers Insurance Non-Profit Management and Organization Liability Insurance please contact Kevin Davis.

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*This brochure is for informational purposes only. All statements herein are subject to the provisions, exclusions and conditions of the applicable policy.*

New D&O Liability Brochure 6-08.indd

**KEVIN DAVIS**  
INSURANCE SERVICES

*Community Association Program Specialists*

## **Directors & Officers Liability Insurance for Community Associations**



**TRAVELERS** 