

Community Association Management Liability

CRIME/FIDELITY CLAIM SCENARIOS

Employee theft – \$17,000

The maintenance supervisor of a cooperative regularly skimmed money generated by coin operated laundry machines. The total loss to the association equaled \$17,000.

Employee theft – \$48,250

The property manager of a condominium association stole cash payments made by association members for monthly assessments. She further manipulated financial reports to cover her theft. The total loss to the association equaled \$48,250.

Embezzlement – \$75,000

An accountant for a country club used online banking services to pay his personal debts out of the country club's bank account. He then manipulated financial documents to cover the theft. The total loss to the association equaled \$75,000.

Embezzlement – \$140,000

During a large-scale renovation project, the manager of a co-op altered checks intended for an approved contractor to the name of a construction firm owned by her husband. She then altered reporting documents to cover the checks. The total loss to the association equaled \$140,000.

Social Engineering Fraud – \$75,000

A board member receives an email from someone impersonating the association's insurance agent which requests a wire for the renewal premiums. The board member wires \$75,000 to the account of the impersonator. The total loss to the association equaled \$75,000.

Social Engineering Fraud – \$8,700

An association's property manager, acting as its designated agent, receives an email from someone posing as a longtime client. The email advises of a change to the "client's" banking information. The property manager wires the next payment to the impersonator's bank account. The total loss to the association equaled \$8,700.

Community associations have limited resources to absorb theft losses. Fidelity insurance protects the community association itself from theft. Consider the following community association fidelity claim examples and associated losses and ask yourself – can you and your organization afford not to carry crime insurance?

For more information

To receive a premium quotation or to learn more about non-profit management and organization liability insurance for community associations, please contact:



Kevin Davis Insurance Services, Inc.

800 W. 6th Street, Suite 1700
Los Angeles, CA 90017

Toll Free: 877-807-8708

Phone: 213-833-6191

Fax: 213-477-2057

kdisonline.com

travelers.com

Travelers Casualty and Surety Company of America and its property casualty affiliates. One Tower Square, Hartford, CT 06183

The views expressed in these materials are those of the authors and do not necessarily reflect the views of The Travelers Companies, Inc. or any of its subsidiary insurance companies ("Travelers"). This material is for general informational purposes only and is not legal advice. It is not designed to be comprehensive and it may not apply to your particular facts and circumstances. Consult as needed with your own attorney or other professional adviser. This material does not amend, or otherwise affect, the provisions of any insurance policy issued by Travelers. It is not a representation that coverage does or does not exist for any particular claim or loss under any such policy. Coverage depends on the facts and circumstances involved in the claim or loss, all applicable policy provisions, and any applicable law. Availability of coverage referenced in this document can depend on underwriting qualifications and state regulations.