The slide features several decorative elements: a large, complex geometric pattern of blue and white triangles on the left side; a series of light blue and white triangles scattered in the upper left; a solid purple circle in the upper right; and several light gray circles of varying sizes along the right edge.

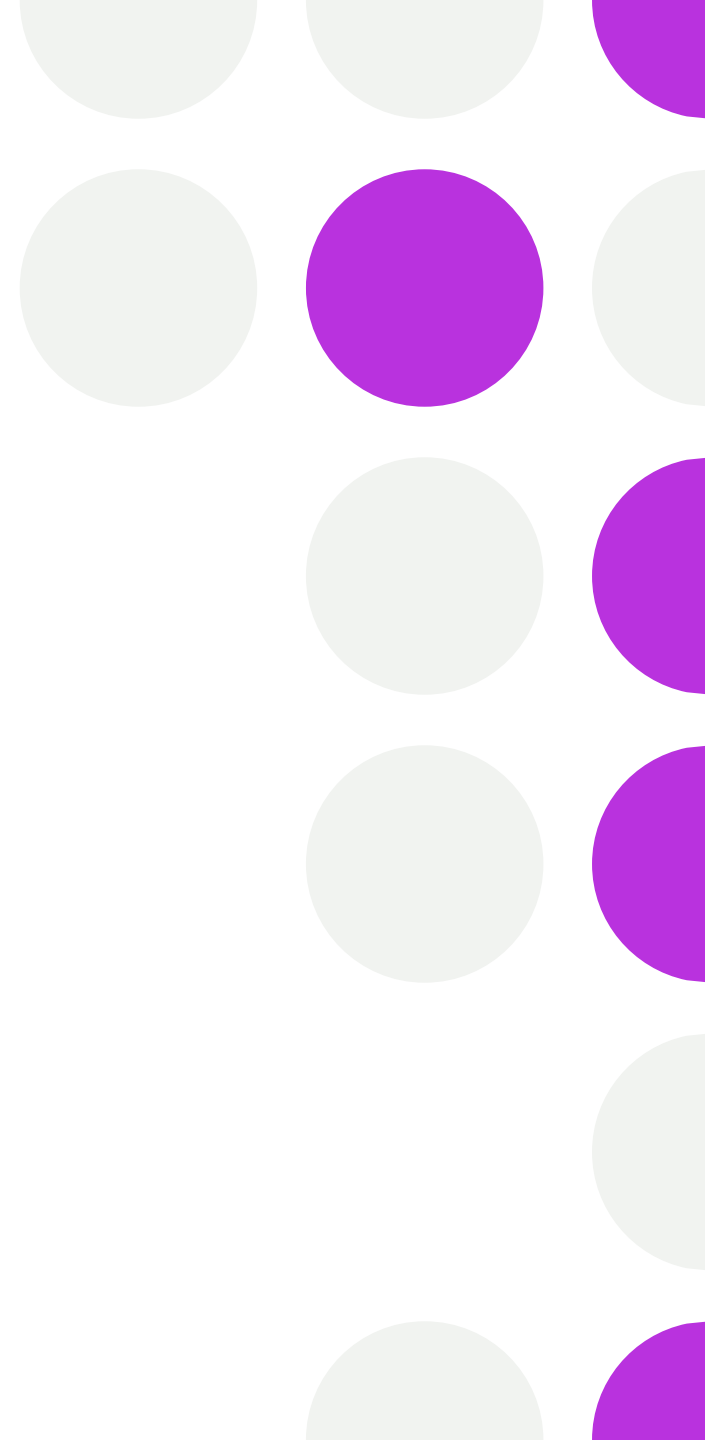
Cover your “Ass(ets)”! A practical guide to protecting you and your community

Gabriella R. Comstock
Dawn L. Moody
Keough and Moody, P.C.

What “ass(ets)” are we talking about here?

Among other things:

- Property itself
 - Operating and reserve accounts
 - Manager/management company liability
 - Association liability
 - Individual Board member liability
-



Let's start with the easiest assets to protect – the property

- Insurance
 - Section 12 of the Illinois Condominium Property Act requires that an association maintain insurance on the common elements, including the limited common elements and portions of the units
 - Coverage B demolition costs
 - Coverage C increased costs of construction
 - Declaration sets forth insurance requirements for non-condos
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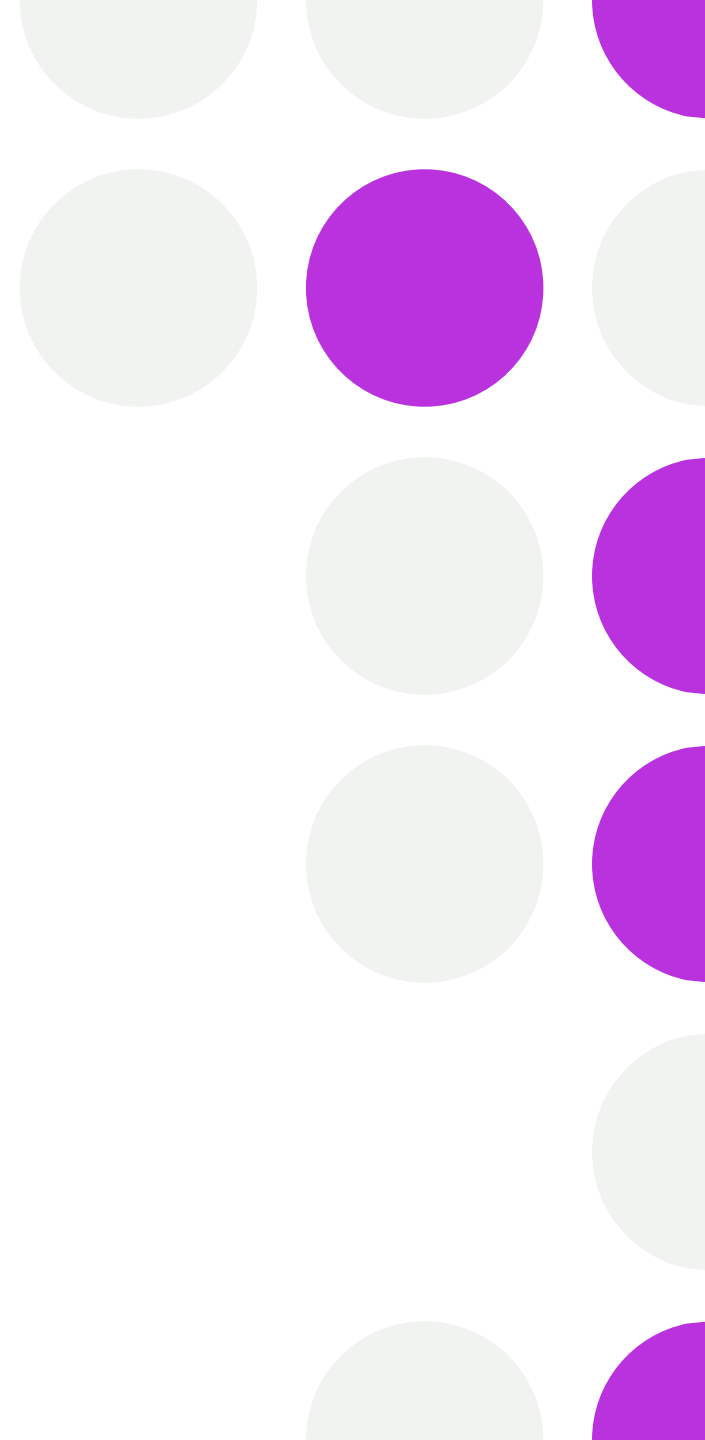
Let's start with the easiest assets to protect – the property

- Insurance

- Have you reviewed your policy with your insurance professional?
- Does your policy comply with the ICPA or your Declaration?
- Is your association insured for the full replacement value?
 - Lawsuit filed against insurance carrier as building was not insured for full replacement value
 - [Maine Township condo association sues insurance company after fatal 2018 fire - Chicago Tribune](#)

Let's start with the easiest assets to protect – the property

- Insurance
 - What about owner insurance?
 - Are the governing documents or rules clear as to what insurance owners must maintain?
 - All attached homes are **not** governed by the ICPA
 - Is the association collecting certificates of insurance (and fining for noncompliance)?
 - Is the Board reminding its owners to review their insurance policies with their agent to confirm they are fully protected?
-



Let's start with the easiest assets to protect – the property



- Maintenance, repair, and replacement
 - Perform it!
 - Not wanting to spend money is not a reason to ignore maintenance concerns
 - Be aware of the condition of your property
 - Utilize professionals to assess the condition of your property
 - Reserve studies or condition assessments
 - Appropriately plan and budget based off of this information
-

Let's start with the easiest assets to protect – the property

- Maintenance, repair, and replacement
 - Engage qualified vendors to perform work
 - Licensed, insured, reputable
 - Execute contracts which protect the association and require the contractor to warrant his/her/its work
 - Utilize your attorney!
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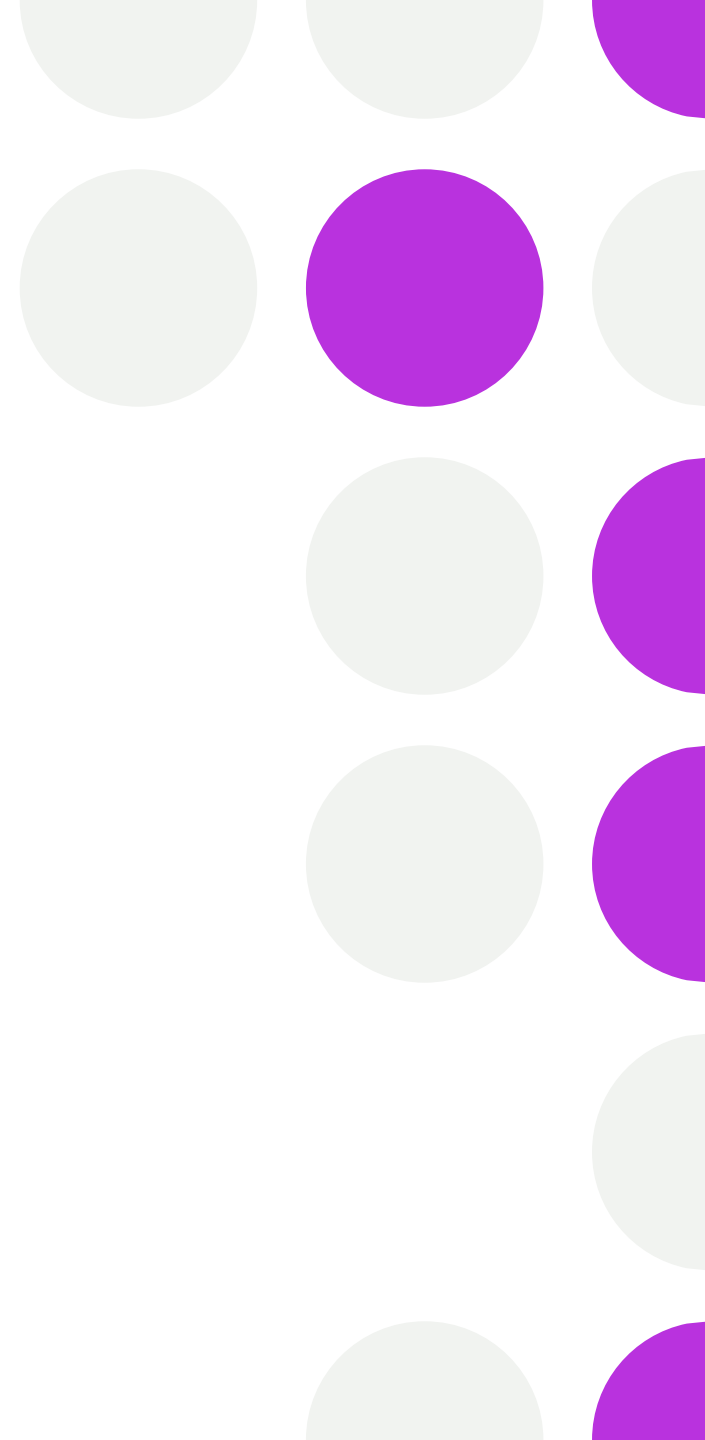
- Adopt (and enforce) Rules and Regulations to protect the property
 - Insurance requirements
 - Architectural improvement requirements
 - Use restrictions
 - Grills, fire pits, etc.

Operating and reserve accounts

- Ensure that the association has the property fidelity coverage
 - Require dual signatures for reserve expenditures
 - Ensure that funds being held do not exceed FDIC limits
 - Properly invest reserve funds
 - Review your bank statements!
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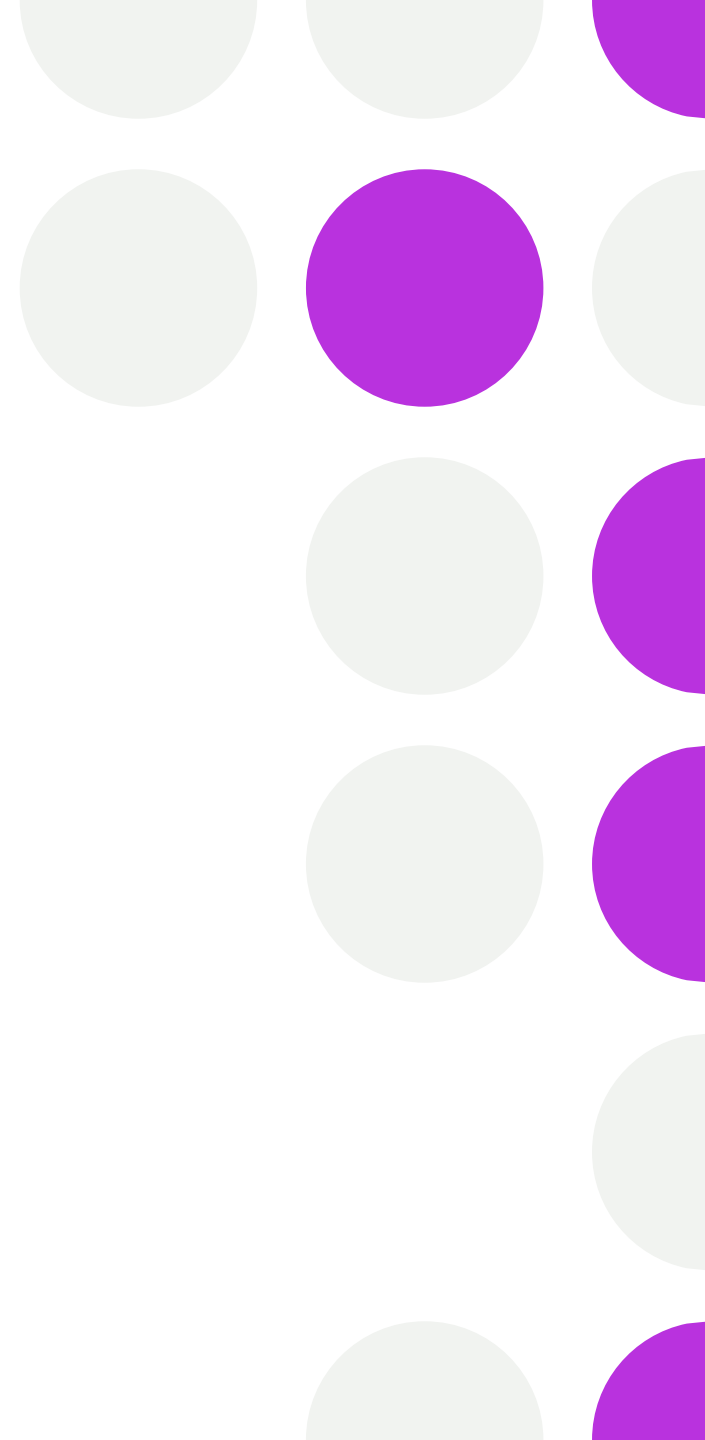
Manager/Management Company Liability

- Be familiar with your contractual obligations to an association
 - Where can you get in trouble? Acting outside of the scope of your agreement!
 - How to stop that
 - Understand your professional obligations
 - What should you and what should you not be doing?
 - How to communicate that to Board members
-



Manager/Management Company Liability

- Respect yourself and your role as a licensed community association manager
 - Give your professional advice (knowing that the Board may not take it)
 - Don't get caught up in the drama or the internal-politics
 - Take additional steps to protect yourself and your license
 - Pay attention to that red flag
 - Learn the art of the confirmation email
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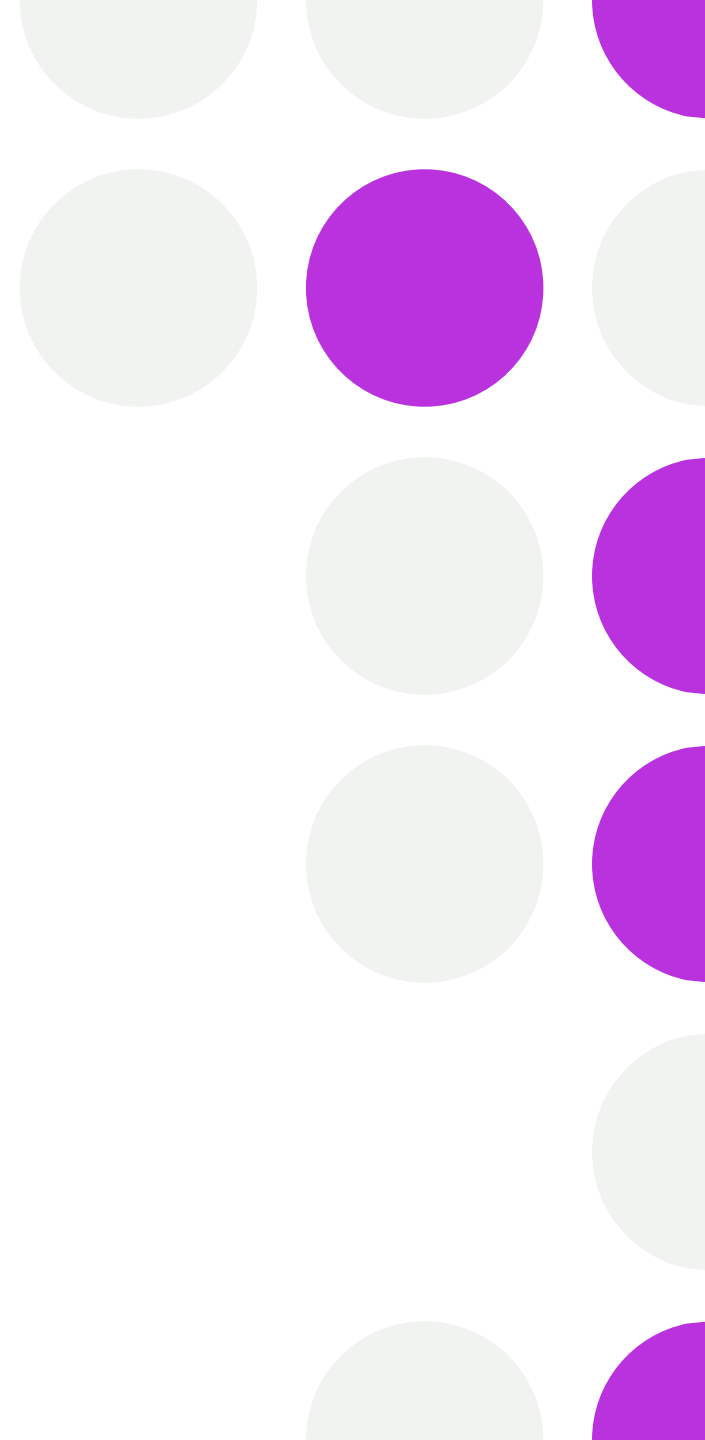
Association Liability

- Insurance
 - Commercial General Liability Insurance
 - Directors' & Officers' Insurance
 - Workers' Compensation Insurance
 - Ensure you have it
 - Periodically review to make sure that this insurance fits the needs of the Association
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Association Liability

- Understand the role of the association and the Board's responsibilities
 - Review and be familiar with governing documents and applicable law (ICPA, CICA, NFP Corporation Act, etc.)
 - Know what you are there to do
 - Fulfill the association's responsibilities
 - Don't get caught up with issues which are **not** the association's responsibility
 - Communicate with your members
-



Association Liability

- Create a good team
 - Manager, attorney, accountant, engineer, insurance professional, other vendors
 - Understand their contractual responsibilities and be respectful of their ethical/professional obligations
 - Listen to their advice even if it is not what you want to hear (although there is nothing wrong with a qualified second opinion)
 - Know when to call on those team members
 - Don't wait too long
 - Adopt policies and procedures, including checks and balances on authority
 - Always focus on the issue, not the person/personalities
-

Board Member Liability

- Understand your role – you too are part of a team and cannot generally make unilateral decisions
 - Understand what it means to serve as a Board member and your fiduciary role
 - Acting in the best interest of all of your members – not yourself!
 - Do not use your position to extract vengeance or favors
 - Do not put anything in writing that you do not want to have read aloud at a deposition
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