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# How to tell if Your HOA is Properly Insured

## Annual HOA Insurance Coverage Self-Evaluation Checklist

### INSURANCE BROKER

- 1 Is your broker aware of any and all unique characteristics of your building/s which may could impact bldg values and/or catastrophe risk (i.e. high end custom construction or tuck under parking etc.)?  Yes  No
- 2 Has your broker been informed of any upgrades or amenity changes made since your last renewal?  Yes  No
- 3 Does your broker check and modify the property values if necessary each and every year to keep up with changing construction costs?  Yes  No
- 4 Has you broker made sure all of the HOA's policies are in compliance with the Insurance Clause of your CC&Rs and the David Stirling Act?  Yes  No
- 5 Has your broker adequately explained the coverage options in order to assure that the association's insurance coverage is sufficient and appropriate for your HOA?  Yes  No
- 6 Is your broker a well-informed independent agent who actively "shops" your insurance each year to get you the best possible coverage at the lowest available price upon renewal?  Yes  No

### INSURANCE CARRIER

- 1 Is/are your insurance carrier/s "A" rated by A.M. Best indicating a company's ability to pay on claims?  Yes  No
- 2 Does your carrier's contract terms (i.e. coverages, clauses & exclusions) adequately protect the HOA, board members and property manager from penalties & lawsuits for mistakes of insurance?  Yes  No

### ASSOCIATION INSURANCE COVERAGE

- 1 Does the HOA have a Worker's Compensation Policy to protect the HOA from uninsured contractors?  Yes  No
- 2 Does your D&O policy cover your property mgr and does it include "Prior Acts Coverage" (covers claims that arise from actions pre-dating or the current policy period)?  Yes  No
- 3 Are the HOA policy deductibles low enough so that most of the owners would be able to come up with their share of assessments that might be arise following a catastrophic loss?  Yes  No
- 4 Does your package policy include Comprehensive Equipment Coverage (Boiler & Machinery) to protect against damage and loss due to sudden mechanical breakdown?  Yes  No
- 5 Does your Employee Dishonesty Insurance (aka Fidelity Bond - covers theft, embezzlement etc.) comply with Freddie Mac and Fannie Mae guidelines?  Yes  No
- 6 Do you have GL or Umbrella Liability Insurance to close gaps between underlying limits of coverage?  Yes  No
- 7 If you do not have an Earthquake Policy, are the owners prepared to walk away from their equity if your complex is destroyed by a quake?  Yes  No

### HOA INSURANCE NOTIFICATIONS

- 1 Are you in compliance of Civil Code Section 1365 that mandates annual disclosure of a summary of an HOA's insurance coverages? (Elliot Katzovitz insurance provides these to clients free of charge)?  Yes  No
- 2 Have you advised the owners that they should obtain their own coverage for personal property loss?  Yes  No
- 3 Have you advised owners to consider buying loss assessment coverage that may cover them for an assessment levied following a catastrophe?  Yes  No