

HOAMCO – *Best Practices*



Association Insurance

It is critical that HOAMCO, as part of its scope of service, ensure that association insurance is complete and up-to-date. Below are internal procedures that must be followed:

- 1) The annual calendar of each association must contain a reminder to verify insurance coverage no less than 30 days prior to the expiration dates of each policy.
- 2) During budget development, verify premiums with insurance agent and review coverage with the board during a board meeting.
- 3) When new policies are received, the original policy is to be given to the office manager in AZ or the receptionist in NM. Distribution of copies of Certificates will take place as follows:
 - Escrow
 - Manager
 - CFO
 - Insurance Administrator
 - Original – to master file

HOAMCO corporate will enter all expiration dates into a tickler system for further back-up. A copy of this tickler will be sent to the COO at the end of each month.

- 4) Minimum limits are as follows:
 - General Liability – \$1,000,000; \$2,000,000 aggregate
 - Automobile – non-owned; hired autos - \$1,000,000
 - D&O – \$1,000,000
 - Workers Comp (if association employees) – \$1,000,000
 - Umbrella – \$5,000,000
 - Crime Policy – \$50,000 or more, depending upon size of assets
 - Property – minimum depends upon value of property owned
 - HOAMCO – listed as additional insured
- 5) If premiums are paid monthly, they must be processed via auto-debit. If you need an authorization form for the board, please contact Judy. Please take a look at all of your Certificates of Insurance today.