



American Heritage Insurance Group

As a Board Member or Officer, can I be sued?

A critical need exists for comprehensive Directors & Officers Insurance for all Homeowners Associations.

As a volunteer Board Member or Officer, personal assets are at risk for decisions you make involving Homeowners Association business.

Board Members and Officers have been sued for alleged bad judgement and decisions in these areas:

- Failure to fairly enforce Declaration covenants.
- Failure to fairly enforce rules involving architectural reviews.
- Failure to host a proper election of the board or officers.
- Challenges to assessment allocations to owners.
- Discrimination or sexual harassment allegations involving owners or prospective owners.
- Failure to purchase the proper insurance.

If a Homeowners Association's Directors & Officers Insurance Policy excludes or limits coverage for any of the above items or other allegations, individual Board Member's and Officer's personal assets could be at risk.

The Directors & Officers Policy for your Homeowners Association needs to provide defense for non-monetary claims and have no exclusions for claims of discrimination. It is also important to make sure that the costs of defense of any matter covered by Directors & Officers Insurance is outside the limits of the policy.

Remember, all D&O Policies are not created equal and the best time to review your coverages and exclusions is before a loss or lawsuit occurs, not afterwards.