

Top Five Insurance Coverages for HOAs

Community associations play a vital role in maintaining shared spaces, preserving property values, and fostering a sense of community among residents. But beyond their social and aesthetic functions, these associations operate as formal business organizations with assets, contracts, and responsibilities to their members. Without proper insurance coverage, a single unforeseen event, whether property damage, liability claims, injuries to volunteers, or disputes involving board decisions, can come with significant financial consequences.

Securing comprehensive insurance coverage is essential to protect an association's financial stability and the individuals who serve it. Adequate coverage helps ensure the association can recover quickly from unexpected losses, maintain operations without interruption and continue fulfilling its obligations to residents.

CONTACT

To learn more about how Amwins can help you place coverage for your clients, reach out to your local Amwins broker.

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Views expressed here do not constitute legal advice. The information contained herein is for general guidance of matter only and not for the purpose of providing legal advice. Discussion of insurance policy language is descriptive only. Every policy has different policy language. Coverage afforded under any insurance policy issued is subject to individual policy terms and conditions. Please refer to your policy for the actual language.

Courtesy of Amwins Group, Inc.



Here are the top five insurance coverages an association needs:

1 **Commercial Package Policy (CPP)**

Forms the foundation of a community association's insurance program. By combining property and general liability coverage under one policy, a CPP helps protect both the association's physical assets and its financial well-being. Property coverage insures shared structures such as clubhouses, fences, signage and other common elements against perils like fire, storm damage or vandalism. Liability coverage, on the other hand, protects the association in the event a third party is injured on shared property or if the association is held legally responsible for damages to others. Together, these coverages can provide essential protection that enables the community to maintain and manage its property with confidence.

2 **Directors and Officers (D&O) and Employment Practices Liability (EPL) Insurance**

This coverage is designed to protect the individuals who serve on a community association's board from claims arising out of their management decisions. Board members make critical choices every day, and even well-intentioned actions can lead to allegations of mismanagement, discrimination or breach of fiduciary duty. D&O insurance helps safeguard both the association and its board members from the financial impact of these claims. When paired with EPLI, the coverage extends to help protect against claims related to employment issues, such as wrongful termination or harassment involving association employees or staff.

3 **Crime (Employee Dishonesty or Fidelity Bond)**

Crime coverage protects community associations from financial losses caused by theft, fraud or embezzlement. Even in well-run communities, funds are often handled by multiple individuals, creating opportunities for financial mismanagement or misconduct. A crime policy helps safeguard the association's reserve funds, operating accounts and other assets against dishonest acts committed by those in positions of trust. This protection is particularly important for associations that rely on volunteers or third parties to manage their finances, working to ensure that one person's actions don't compromise the financial health of the entire community.

Top five insurance coverages an association needs (continued)

4 Payroll or Volunteer (“If-Any”) Worker’s

Workers’ compensation coverage is an often-overlooked but essential part of a community association’s insurance program. While many associations don’t employ a large staff, they frequently rely on vendors, maintenance crews and even volunteers to perform work on their behalf. If a board member or volunteer is injured while performing duties for the association, the incident could be considered a work-related injury, obligating the association to cover medical expenses or lost wages. The coverage also provides defense for claims submitted against the association by uninsured vendors or contractors that are injured on the association’s premises. The intention of the policy is not to extend Workers’ Compensation benefits to uninsured vendors or contractors; however, the policy will afford coverage if deemed the responsibility of the association by the local Labor/Industrial authorities.

5 Umbrella/Excess Liability Insurance Policy

This policy provides an added layer of protection for community associations by extending coverage limits beyond those offered by the primary policies. In the event of a catastrophic loss or large-scale claim that exceeds the limits of these underlying policies, the umbrella policy steps in to cover the remaining costs, helping to protect the association’s financial stability. This type of coverage is particularly valuable given the rising costs of litigation and the potential for high-dollar settlements.

Amwins underwriting programs for community associations

At Amwins, we understand the complex risks community associations face and the importance of protecting both their assets and leadership. That’s why we offer specialized insurance solutions through three dedicated programs designed for this unique market. Amwins Program Underwriters (**APU**) provides a national **Community Associations Insurance Program** offering comprehensive property and casualty package coverage for master-planned communities, HOAs and POAs, all underwritten with an “A” rated, admitted carrier.

For associations seeking more tailored protection, **Kevin Davis Insurance Services** (KDIS) and **Community Association Insurance Solutions** (CAIS), both part of Amwins’ **underwriting division**, deliver a suite of stand-alone coverages including D&O, crime, cyber, excess liability, and workers’ compensation. Each product is backed by A.M. Best rated “A+” or better carriers, ensuring financial strength and reliability when it matters most.

Together, these programs equip community associations with the coverage they need to safeguard their communities and operate with confidence.

E&S options for hard-to-place lines

While D&O and EPL coverage are critical for community associations, they can also be some of the most difficult lines to place – especially for condominium and HOA boards. Underwriters are highly sensitive to issues like deferred maintenance, special assessments, building safety concerns and disputes between boards and unit owners.

After high-profile events such as the Surfside condominium collapse in Florida, many traditional “program” and admitted markets paused new business or tightened their guidelines while they reassessed their appetite for association risks. During that period, we saw not only several admitted D&O carriers pull away but also umbrella carriers that had historically included D&O within large excess limits begin carving out D&O entirely.

In those moments, access to the E&S marketplace becomes critical. Our brokerage division can work in tandem with our underwriting partners, especially when the leading program markets have limited or no appetite. Combining the power of one company, we access specialized non-standard, in-house exclusive capacity through SRU and excess carriers to maintain continuity of coverage.

In practice, that has meant placing stand-alone D&O and D&O excess layers when traditional umbrella solutions excluded the exposure, helping associations avoid dangerous coverage gaps at the exact time their boards were facing increased scrutiny over building safety, reserves and fiduciary decision-making.

Cyber liability and privacy / network security coverage

Community associations hold more sensitive information than many boards realize, including owner contact information, payment details, bank account data, gate and building access systems, and even online voting platforms. A cyber incident involving ransomware, email compromise or a breach of the association’s management software can disrupt operations and trigger both first-party costs (forensic investigation, notification, data restoration, etc.) and third-party liability.

- **Cyber liability policies:** Associations can be especially vulnerable where the board relies heavily on email for approvals, online banking or community portals. A cyber policy that includes coverage for social engineering / funds transfer fraud can complement crime and D&O coverage by addressing losses that arise from fraudulent instructions, business email compromise or spoofed board communications.
- **Crime and social engineering coverage:** Social engineering and payment fraud are emerging exposures in this space. Community associations routinely pay vendors, contractors and management companies, often through volunteer treasurers or board members who may not have formal accounting or risk management backgrounds. A convincing phishing email or fraudulent payment instruction can result in funds being transferred to the wrong party. The right crime and social engineering coverage can help respond to these types of losses, protecting association reserves and operating funds when human error intersects with sophisticated fraud schemes.

It’s also important to recognize that a social engineering loss doesn’t always stop at the crime or cyber policy. In the wake of a significant funds transfer fraud loss, unit owners may allege that the board failed to implement appropriate safeguards, dual-control procedures, or vendor verification processes. That can translate into a D&O claim for alleged mismanagement or breach of fiduciary duty, making it even more critical that the association’s D&O, crime and cyber coverage be coordinated and thoughtfully structured.

We help you win

At Amwins, we recognize not all business risk is created equal. Our team of specialists understands the nuances of the markets we support.

With unmatched industry knowledge and an unwavering commitment to helping you maintain your competitive edge, partnering with CAIS and KDIS means you're a priority.

We're here to help expand your capabilities by providing market intelligence and underwriting expertise needed to help you win.

Insights provided by:

- **Aileen S. Berry, Esq.**, EVP, Amwins Brokerage
- **Veraliz Castro-Williams**, COO, KDIS
- **Erik Davis**, VP, KDIS
- **Gary Deck**, SVP Business Development, CAIS
- **Anthony Nola**, President, CAIS