

McGowan CA I CED Resource Newsletter

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Just when we think we have seen it all, a new Directors and Officers claim is submitted that proves us wrong. However, there are several claims that we do see on a regular basis. We wanted to share with you The Most Common D&O Claims, in hopes that you would share this with your members.

Enclosed is our one page leaflet providing the most common D&O claims seen in the industry. Some boards may not realize the severity of the decisions they make. The majority of the most common claims that occur amongst Directors and Officers are a result of their basic duties. Have all of your boards read their by-laws? One of the most common claims is failing to adhere to the by-laws. Have any of your boards approved or rejected an architectural guideline variance request? This can easily result in a claim being made. It is unfortunate that in today's world, boards and managers must go over everything they do and say with a fine toothed comb, however that is the reality.

It is in the hands of Community Association Professionals like us to spread the knowledge we have to boards and managers so they can protect themselves and the communities they oversee. We, at McGowan Program Administrators, have put the responsibility in our hands to help you educate. We make it easy by giving you the tools to quickly and easily spread the knowledge. We ask you to pass this leaflet along to ANY and ALL of your board members, community association managers or anyone else you see fit. Let's work together to educate our members which will in turn protect us all!

As always, do not hesitate to contact us with questions, concerns or requests for future educational tools and material. We are ALWAYS happy to help! Be on the lookout for the upcoming McGowan Community Association Resource Newsletter!!

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Most Common D&O Claims

- Challenges to the Board's failure to properly make, adhere or apply association by-laws
- Challenges to association elections, election procedures or improper election notices
- Allegation of discriminatory application of association rules, including allegations of harassment by rule enforcement
- Challenges to the Board's exercise of granted authority
- Challenges to the board or independent management company refusal to make association documents available to association members
- Challenges to board decisions resulting in physical damage to the association
- Challenges to assessments and association and management company collection procedures
- Challenges to architectural application decisions (generally by an architectural committee)
- Breach of third party contracts
- Allegations of Personal Injury Offenses including defamation and invasion of the right of privacy