

4. Fidelity Bonds/Commercial Crime

Any Association greater than 10 units must have blanket fidelity insurance coverage for anyone who either handles or is responsible for funds it holds or administers, whether or not that individual receives compensation for services. The insurance policy must name the Association as the insured and the Association must pay the premiums as a common expense.

A management agent that handles funds for the Association must be covered. The manager may be named as a designated agent on the Association's policy, or the management agent's own policy may include coverage for theft of client's property on the premises of the insured, either as policy language or via endorsement.

The fidelity bond/commercial crime must cover the maximum funds that will be in the custody of the Association or its management agent at any time while the bond is in force. At a minimum, the manager's fidelity bond coverage must equal the sum of three months' assessments on all units in the Project plus the amount held in the Association's reserve account(s).