

Crime Coverage for Community Associations

Claim Examples

- ▶ **Theft of Money:** The Treasurer of a Senior Living Condominium Association, an 88 year-old trusted resident of the community, converted over \$300,000 in association fees to his own use over the course of 6 years. Owners said they paid a special assessment for roof repairs that were never completed. The board did not have Crime Insurance in place, and as a result, the Association did not have the necessary funds to maintain the 50 year-old complex without reassessing the members for the needed roof repairs.
- ▶ **Theft:** The Treasurer of a small Homeowner's Association, with only 9 units, opened a credit card account online in the Association's name, without approval. Without the board's knowledge, the credit card was being utilized for the Treasurer's personal use, including online purchases of electronics, home decor, and clothing items. Over the course of 2 years, more than \$17,000 was billed to the credit card before the scam was uncovered.
- ▶ **Theft of Money by a Property Manager's Employees:** An employee for a Property Management firm had been stealing Association dues from several Community Associations over the course of 5 years. Once the employee was caught, it was found that over \$350,000 of dues were missing. The Property Management firm only purchased \$100,000 of Crime Coverage so the Associations effected were left to replace the missing funds.
- ▶ **Forgery:** An officer of the board for a Townhome Association failed to remove their Pool Management Company from payroll at the end of the season when the services were no longer needed. The Board Member continued to write checks out for the Pool Management Company's services and forged the signatures to cash in for herself. It wasn't until a new Treasurer noticed the discrepancy on the balance sheet that the fraud was detected.
- ▶ **Safe Burglary by Property Manager:** A Homeowners Association used a Safe Deposit Box to place their bills, receipts, insurance certificates, personal information, as well as a cemetery map. A disgruntled employee of the Property Manager, damaged and vandalized the common area where the board met with the intent of breaking into the safe. The property damage totaled over \$25,000 because they had to assess their members to cover the costs. The association did not have Crime Insurance.