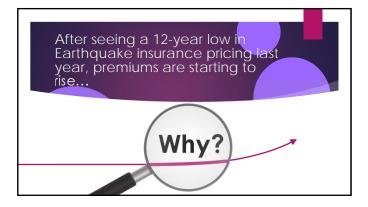
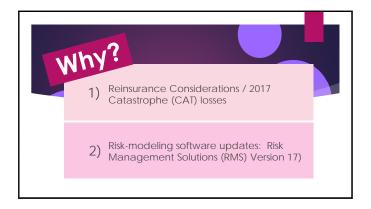




A. J. Scott, CPCU Cline Agency Insurance Brokers



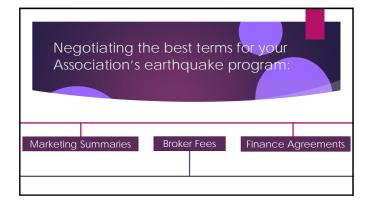




Negotiating the best terms for your Association's earthquake program:

How does the earthquake deductible work?

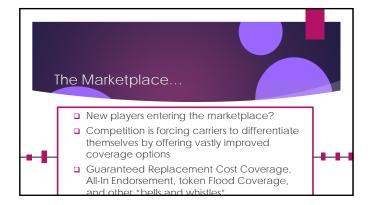
g the best terms for your o's earthquake program:
 Why the Statement of Values might be the most important document your Board signs this year





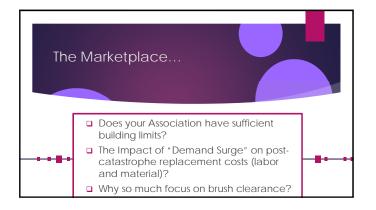
Is your Board informing individual owners about the importance of maintaining (or at least investigating) personal EQ insurance?						
The Five (5) Important Coverages:						
Real Property	Contents (Belongings)	Loss of Use	Premises Liability	Loss Assessment		











BEWARE of "package"

Directors & Officers Liability policy forms.

In this case, you may be paying less and receiving even less.

Beware of "package" Directors & Officers Liability policy forms.

- Manager Included as A/I?
- Defense Costs Outside the Limits?
- Defense for Non-Monetary Claims?
- □ First Dollar Defense?



Association from losses?

- Higher Deductibles
- □ Limit Scope of Coverage



#### Interesting Claims and Insurance Exposures

- Three most interesting claims
- Most unusual Directors and Officers Liability Claims
- Description: Third-Party employment exposures. How could a contractor firing one of his employees impact your Association?
- New workers' compensation Supreme Court decision: A, B, C's of Employees



- Dynamex operated as "same day" courier and delivery company in Los Angeles County.
- Two disenfranchised delivery drivers spearheaded a class-action suit against their employer who arbitrarily changed their status from "employee" to "Independent contractor.

#### The ABC Test

Under the ABC test, a worker will be deemed to have been \*suffered or permitted to work.\* and thus, an **employee** for wage order purposes, unless the putative employer proves:

(A) that the worker is free from the control and direction of the hiring entity in connection with the performance of the work, both under the contract for the performance of the work and in fact;

(B) that the worker performs work that is outside the usual course of the hiring entity's business; and

(C) that the worker is customarily engaged in an independently established trade, occupation, or business of the same nature as the work performed.

Note that each of these requirements need to be met in order for the presumption that a worker is an employee to be rebutted, and for a court to recognize that a worker has been properly classified as an independent contractor.

## New crime exposures require especially tailored insuring agreements

- Cyber Liability: Inadvertent breach of personal identifiable information
- Crime/Fidelity Exposures
  - Bank Transfer Fraud (Funds Transfer Fraud)
  - Computer Fraud
  - Social Engineering



- licensed in California. (www.cslb.ca.gov)
- Contract must be reviewed by legal counsel to make sure the contract has the necessary indemnity provisions.

### Hiring Contractors and Subcontractors

- Contract must require vendor's insurance carrier to name both the Association the management agent as an "additional insured."
- A Certificate of Insurance is not sufficient evidence for the Association. Instead an endorsement to the policy must be ordered.

# Hiring Contractors and Subcontractors

- Such coverage shall be "primary" and "noncontributory and must include a waiver of subrogation provision in favor of the Association and the management agent.
- The agent/broker must provide a statement to the Association confirming that the coverage doesn't maintain a "Condo" or

