

WELCOME
28th
ANNUAL

**Utah Condominium
&
Homeowners Association
Seminar
Session # 2 (Nov. 10, 2021)**

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Presenters

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- November 17, 2021

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Annual Meeting of Owners

- Location (where?)
- Timing (when?)
- Notices (who? when? how?)
- Agenda (what included?)
- Quorum Requirements (what %?)
- Proxies (validity?)
- Election of Board Members (how many?)
- Voting (what process?)

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Notices

- Sent to owners (Who is an owner?)
- To what address?
- How sent? (mail/electronic/personal)
- What to include in the notice?
- Waiver of notice
- Timely objection to lack of proper notice

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Quorums

- When determined?
- Use of Proxies
- Who may be a proxy? When must it be received?
How long is it good? Gathering multiple proxies.
- No Quorum- May business be conducted?
- Adjournment of Meetings

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Board Member Qualifications

- Two From the Same Unit (H&W)?
- Must be an Owner? (on deed?)
- Corporate Owners?
- Removal of board members (who & how?)
- Filling vacancies (how long? term?)
- Disqualifications (delinquent? violations?)

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HOA Insurance

- HOA Boards must notify owners of the amount of the HOA's insurance deductible or the HOA will have to pay it.
- The notice must be fair and reasonable
- The HOA must keep a record of the notices it sends out.

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Welcome HOA Seminar



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Insurance Discussion

1. Community and Condominium Association Insurance Laws.
2. Risk Management Discussion
3. Fidelity Bonds / Crime Policy
4. Directors and officers' policies

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HOA Community Insurance

- To eliminate gray areas in regard to insurance claims
- To protect the over all value of the property
- To simplify the coverage's
- Went into effect as you renew after July 1, 2011.

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Law Overview

- ◎ Regardless of CC&R's – the new law requires the HOA policy cover the buildings inside and out at 100% replacement costs
 - Including
 - Carpets, fixtures, cabinets, lights , heating and plumbing fixtures, windows, anything permanently attached to a unit
 - Also includes betterments and improvements.
- ◎ Subject to a deductible
 - HOA must keep in reserve the deductible amount

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Claim Examples

- Large Claims - The HOA policy is Primary
- Small Claims – The Unit owner policy (H06) is primary
- Multiple Units Effected? – The effected unit owners pay their prorated share of the deductible amount

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Example of the Two Policies working together

Master Policy – Covers inside and outside of each unit
- less the deductible amount of the master policy.

Deductible for the HOA
HO6 -home owners policy. To cover the following:
•Deductible of the Mater Policy
•Your Personal Property i.e. clothes, furniture, appliances, etc.
•Personal liability

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Board Responsibilities

- Ensure the Association is in compliance
- Ensure the unit owners are notified of the change
 - Meetings (we would be happy to help)
 - Letters
 - Newsletters
- Make sure you document your efforts to educate the unit owners.

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Dealing With Covid

- **HOA Immunity from COVID-19 Liability**
- Utah HOAs can breathe a little easier because associations are now protected generally from lawsuits and claims relating to harm. The new law is found in Utah Code Section 78B-4-517.

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Dealing with Claims

• Examples:

1. Basement Flood from malfunction of common area sprinklers
2. Water leak on floor three damaging the units below.
3. Sewer Line backs up and floods lower unit of a 3 level complex.

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Bad Day! Who is going to Fix this?



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Risk Management Discussion

- Objective – Save money on insurance
- How? - Claim Prevention – be on the offense not the defense in regard to Claims.
- Selecting the correct deductible

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Risk Management Plan

- Lessen the exposure to your community
- Identify and reduce the likelihood of any type of loss
- Check list of common areas, amenities, services, staff policies and programs
- Check lists for staff personnel policies
- Departmental policies
- Generate techniques to control the risk

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Risk Management Examples

- Slip and fall Checklist
 - Parking lots in good repair
 - Curbs level with sidewalks
 - Water Drainage away from walks
 - Stairs in good repair (nonslip surface)
 - Snow and ice removal
 - Do you have a snow and ice removal log?
 - Stairwell illuminated, clean and unobstructed

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Risk Management Examples

- Grilling Guidelines
- Pitched Roof Maintenance Guidelines
- Playground Safety Checks
- Swimming pool safety and maintenance
- Water hazard Exposures
- Exercise Equipment checklist
- Washer and Dryer Damage
- Water heaters
- Dealing with Ice Dams
- Crime Prevention programs

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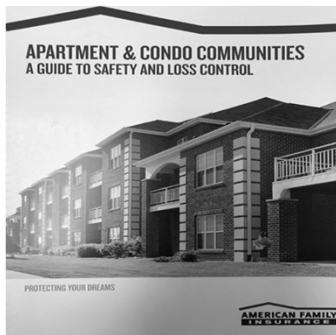
Why Risk Management?

- Save Money
- Create a better place to live

- Insurance is a transfer of Risk and is designed to handle major unforeseen disasters or problems
 - Less claims = Less cost
 - Minimize cancelation risk and cost

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Loss Control Guide



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Fidelity bonds / Crime Policy

- Simple definition - Protects against losses resulting from dishonest acts by an associations officers, directors and employees.

- Lender Required – 3 months dues plus reserves.

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Directors and Officers

- Definition – to protect directors and officers from claims made because of wrongful (or alleged wrongful) acts or omissions while performing HOA duties.
- Libel or slander
- Receiving personal gain
- Ignorance of HOA books and record
- Conflict of interest
- Insufficient oversight

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Directors and Officers

- Questions to ask:
 - Extend to volunteers, employees
 - Cover spouse of directors and officers
 - Provide defense or and above
 - Cover both monetary and non-monetary
 - Does it cover a property manager
 - Failure to maintain adequate insurance
 - Cover Libel and slander
 - Cover Discrimination
 - Improper management

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Some things We Have Learned

- Lowest price may not be the best value
- Property values (100% to value)
- Endorsements providing protection
- Agent that knows HOA's
- Proper D&O coverage
- Proper Fidelity coverage
- More than an agent - Risk Management consultant and resource.

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Not all agencies are the same!!



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Nuisance Issues

Control of and Elimination of Nuisances:
(one of the big benefits of Community Associations)

Pets (dogs)

Vehicles/Parking

Renters

Noise

Trash

Smoking

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Nuisance

What is a Nuisance?

"A nuisance is anything which is injurious to health, indecent, offensive to the senses, or an obstruction to the free use of property, so as to interfere with the comfortable enjoyment of life or property." U.C.A. 78B-6-1101(1)

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Who Can Stop a Nuisance?

"An action may be brought by any person whose property is injuriously affected, or whose personal enjoyment is lessened by the nuisance." U.C.A. 78B-6-1101(6)

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Is mold a Nuisance?

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What Are the Most Effective Ways to Address a Nuisance?

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End of
Session 2

See you next
Wednesday!

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