

WHEN YOU ACT AS PRESIDENT  
OR MEMBER OF YOUR OWNERS  
COMMUNITY BOARD, MAKE SURE  
YOU DON'T RUN RISKS WITH YOUR  
**PERSONAL WEALTH**



Owners Community Board's are not exempt from receiving third-party claims. A dissatisfied neighbour or resident, a mistake in data protection, an assignment that is not carried out correctly; in conclusion, inappropriate decision-making can result in a personal claim made against the President of the Community or other members of the residents' association. **Op de Beeck & Worth** and **Hiscox** offer a tailored product, designed specifically to protect your personal assets when it is considered that you did not act diligently when an active member of the Board.

### **What can actually happen?**

As a member of the Homeowners board, you can receive claims from third-parties from very different areas:

- claims from creditors and suppliers due to non-payments;
- breaking commercial agreements;
- claims from owners due to bad management;
- claims from public organisms and authorities for breaching regulations.

In conclusion, we protect you against any third-party that intends to or goes against you and/or your personal assets alluding to bad management of the Committee, when you are President, Vice-President, Secretary or any other member of said committee.

### **Some real cases**

#### **Negligence in supplier contracting**

The president of a Community authorises the payment for a repair of a communal area. The contractor is given the job and gets paid the 250,000 euros for the work. However the repair is never actually carried out because the supplier disappears with the money.

A group of residents set a claim against the president for not being diligent enough when managing the project and for not having verified the correct execution of the repairs when authorising the payment. The insurance policy would protect the President both in the defence as well as for the compensation payment should it be necessary.

## **Data protection**

The Community Board authorises the use of the residents' addresses by a business in order to send a tailored offer of their products to each resident with discounts for the community. Although the objective of the mailing was carried out in good will, one resident files a claim to the data protection agency for bad management and use of data. The agency fines the Homeowners' council with 60,000 euros, which generates serious financial damage to the Community. The residents put a claim against the president for negligence in the management of the project.

The Administrators and Directors insurance policy protects the manager and assumes the possibilities of compensation payments.

## **Contracting services for above market costs**

The President of a Residents' Association decides to contract a supplier for a service which has not been approved by the Committee, moreover the financial cost is highly superior to the market average. The residents decide to put a claim against the President of the Community for negligence in the management of suppliers. The insurance company covers the defence costs as well as any possible compensation payment should it be necessary.

## **Inappropriate investments of community assets**

The President decides unilaterally to invest the Community's savings in shares of a financial entity. A year later, the investment loses all its value. A group of residents decide to put a claim against the President for bad management and for causing a loss to the association of residents.

The Administrators and Directors policy protects the manager and/or representative and will assume any possible compensation payments should it be necessary.

## **Total flexibility and a broad reach policy**

The D&O policy from Hiscox is designed to be completely adapted to clients' needs. It allows for a tailored approach adjusting the coverage provided to the necessary requirements, for both the President of the Committee as well as the executive team.

## **Our guarantees and coverage**

- Cost of legal defence.
- Civil and other deposits and guarantees.
- Crisis management costs.
- Coverage for employment related claims.
- Coverage for contamination related claims.
- Financial compensations and damages.

## Would you like more information?

This document is a summary of the coverage offered by the policy. If you require more information, please contact:

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