

CHECKLIST FOR COVERAGE DISCUSSION WITH AGENT OR PROSPECTIVE AGENT

The most important steps that you should take in evaluating your insurance(s) is to see what your documents require and what the State laws require of your association. Please remember that each association is unique and will have unique requirements so consult with the appropriate experts vs. just relying on this checklist. This is a compilation of questions, problems or disagreements that have surfaced over the last 39 + years of my involvement in this industry.

Many of the new renewal policies exclude anything that has to do with collections in Nevada. It may actually be hidden in the Endorsements to confuse you a little. Get it in writing if it is not clear and/or make the broker/agent put it on their letterhead or in an E-mail.

Think about your decisions this way.

- 1) If we can't afford it, can we afford to pay for it in the event of a claim?
- 2) Can we afford not to tender it to the insurance carrier? What could the maximum outcome be should we not tender it and it escalates to the maximum?
- 3) If we don't have the right insurance, we are self-insured and should have a line item on the budget for that self-insurance. If you don't have a Board Deductible Policy making the affected owners responsible for any claims, you should have a line item on the budget for the deductible as well.
- 4) How are deductibles handled as this could be key in some cases? Does the association pay them or do the affected owners pay any deductibles? Do you have this policy in writing to be consistent with how it is handled? Should we add a line item in our budget this year to cover the deductible since they are getting to large?
- 5) See the last page(s) for NRS 116 requirements surrounding insurance.
- 6) Since some brokers recommend different carriers for different services, you will see duplicates in some areas shown below.
- 7) **Is it smart to pick out a broker first by interviewing brokers 3-4 months before renewal to allow the broker to get the three bids and feel comfortable with the person who will be guiding you properly securing your insurance needs? Remember that changing policies could leave you some problems with claims that arose at the time that the last carrier was covering you. An independent insurance agent can research and advise you of any risks in changes and/or coverage.**

AGENT/BROKER ISSUES: (FIRST QUESTION TO ASK THE PERSON IS “ARE YOU A CAPTIVE AGENT OR A BROKER” – CAN THEY ONLY SELL ONE PRODUCT VS. SHOPPING MANY DIFFERENT COMPANIES.)

	Yes	No	N/A
Are loss runs made <i>readily</i> available? What is your normal response time?	[]	[]	[]
Are there charges for a Certificate of Insurance?	[]	[]	[]
Do you complete all obligations in a timely fashion?	[]	[]	[]
Does the agent check the policies for errors before submitting?	[]	[]	[]
Educate unit owners in writing if asked (Article for newsletters, etc.) ...	[]	[]	[]
Has the agent had multiple years of experience with common-interest communities? If not, how many years has the agent specialized in this unique area?....	[]	[]	[]
Have they received and reviewed copies of all governing documents and will they state that any recommended insurance program complies;			

Again, ask for that statement in writing (All documents could have provisions in them that need to be address not just the CC&Rs).	[]	[]	[]
Have they studied to carry special credentials?	[]	[]	[]
How are any verbal complaints or claims going to be handled?	_____		
How is the agent going to handle "Notice of Circumstances"?	_____		
Keeps up to date with legislative changes with insurance issues?	[]	[]	[]
Meets with the Board or Committee on request regardless of premium amount (Will they – Very Important)?	[]	[]	[]
Monitors certificates of insurance for you (Proactively) with changes ...	[]	[]	[]
Monitors the insurance companies you are with for stability and financial security. (AM Best ratings, etc.)	[]	[]	[]
Provides good written explanations	[]	[]	[]
Recommends coverage and techniques even if he/she cannot sell to you!			
Acts as a resource.	[]	[]	[]
Reviews insurance policies with the Board at least annually or upon request without major wrangling to get their time?	[]	[]	[]
Review the CC&R's to ensure that no coverage(s) are missed that are shown as required in the documents.	[]	[]	[]
Speaks honestly, realistically, and follows through on time.....	[]	[]	[]
Works for your best interests rather than the insurance companies alone. Brokers work for you while <i>some</i> captive agents work for the insurance company and may or probably can only sell what the company offers vs. shopping for the best product for you. (They may also have limited access or may be obligated to use only one insurance company trying to make their product(s) fit.)	[]	[]	[]
Other: _____	[]	[]	[]

CARRIER ISSUE:

	Yes	No	N/A
Are the carriers being recommended admitted carriers (Licensed & Pays into the recovery fund in your State – You may not have a choice.)	[]	[]	[]
How many notices of <i>Circumstances</i> given to the agent triggers a raise in Premium? (Some charge against you if any staff reviews any file.)	_____		
Can we negotiate counsel to defend us?	[]	[]	[]
How will Notices of Circumstances be treated in the future if nothing occurs from the Notice of Circumstance? (Increased premium or cancellation or is it not a hard and fast rule)?	_____		

DOES YOUR INSURANCE COVER ALL OF THE FOLLOWING ?

(Not all coverage's listed as it is **VITAL** to have adequate property coverage)

PROPERTY

	Yes	No	N/A
Are indirect losses covered	[]	[]	[]
Are pollutants like radon covered? Especially critical in the North!	[]	[]	[]
Are Mold and Fungi coverage an Exclusion or Covered?	[]	[]	[]
Are there exclusions from claims arising from damage to tangible property?	[]	[]	[]
Artificially Generated Electrical Currents	[]	[]	[]
Bare Walls or All in coverage – What do your documents say?	[]	[]	[]

Boiler and Machinery Equipment Breakdown Coverage – Irrigation system

Can be covered under this type of coverage!.....	[]	[]	[]
Direct damage amount \$ _____			
Consequential damage amount \$ _____			
Items covered: _____			
Black Water – See if there is coverage or is it an exclusion.....	[]	[]	[]
Bridges, Docks, Piers, Retaining Walls and Wharves – If applicable.....	[]	[]	[]
Buildings and Structures (Habitational, Parking and Other)	[]	[]	[]
Code Upgrade – Ordinance Coverage – Including Demolition	[]	[]	[]
Collapse covers (Ensure that there is no exclusion for this coverage) ...	[]	[]	[]
Continuous or repeated seepage of water over time coverage	[]	[]	[]
Deductible – What is the amount?	[]	[]	[]
Demolition of standing building to be able to rebuild coverage.....	[]	[]	[]
Design error/building defect covered (no exclusion)	[]	[]	[]
Does the Current Reserve Study play into any property coverage	[]	[]	[]
Earth Movement Coverage (Does this include earthquakes?)	[]	[]	[]
Electrical Arching	[]	[]	[]
Emergency Response Coverage (Is it included?)	[]	[]	[]
Fences, walkways, pools spa, (if any).....	[]	[]	[]
Fine Art – If appropriate!.....	[]	[]	[]
Fire Department Service Charge Coverage	[]	[]	[]
Flood coverage and if so, they amount _____	[]	[]	[]
If it is in our reserve study is it automatically covered	[]	[]	[]
Increased Cost of Construction (Building Ordinance & Law)	[]	[]	[]
Inflation Protection	[]	[]	[]
Is the coverage by contract or whatever the CC&R’s say? (How would the wording in the CC&R’s affect a claim?)	[]	[]	[]
Is there a Co-insurance penalty (If Co-Insuring are you willing to assume the risk as the rates as greatly reduced if a penalty?).....	[]	[]	[]
Mysterious Disappearance for Property of Others	[]	[]	[]
No Vacancy or Un-occupancy Provision	[]	[]	[]
Off Premises (Property)	[]	[]	[]
Papers, Receivables and Records	[]	[]	[]
Personal Property of Others	[]	[]	[]
Per Person	[]	[]	[]
Per Occurrence	[]	[]	[]
Pollution Cleanup Included or is this left up to the adjuster?	[]	[]	[]
Power Failure (on premises and off premises)	[]	[]	[]
Property Damage Legal Liability (If association renting property)	[]	[]	[]
Replacement Cost Endorsement	[]	[]	[]
Blanket endorsement?	[]	[]	[]
Extended Replacement Cost Endorsement? Percentage _____....	[]	[]	[]
Sewer Backups – If yes at what limit?.....	[]	[]	[]
Structural Glass & Signs	[]	[]	[]
Trees, Plants, Shrubs and Lawns	[]	[]	[]
Underground Flues, Pipes and Drains	[]	[]	[]
Unit owner improvements covered if the documents require coverage?.	[]	[]	[]
Valuable Papers and Records Costs	[]	[]	[]
Waiver of subrogation against unit owner – Required per NRS	[]	[]	[]

Walks, Roadways, Patios and other Paved Surfaces – If yes, what limit?

.....	[]	[]	[]
War & Military Action	[]	[]	[]
Water Damage – All levels of water damage 1 through 4	[]	[]	[]
Items of Property for Consideration	Yes	No	N/A
Appliances Owned in Common	[]	[]	[]
Appliances inside the units	[]	[]	[]
Appurtenant Structures	[]	[]	[]
Arbors	[]	[]	[]
Awnings or canopies	[]	[]	[]
Back Flow Devices	[]	[]	[]
Beach or diving platforms	[]	[]	[]
Bridges	[]	[]	[]
Bulkheads	[]	[]	[]
Drains underground and above ground	[]	[]	[]
Computer Equipment & Software	[]	[]	[]
Fences	[]	[]	[]
Fixtures, yard	[]	[]	[]
Flood – FEMA has restriction the number of units affected to be considered a flood. If in a flood zone have it explained			
Floor, wall, window, ceiling, coverings	[]	[]	[]
Flues, gutters/down spouts	[]	[]	[]
Foundations above ground	[]	[]	[]
Foundations below ground	[]	[]	[]
Guaranteed Replacement Cost (Explain if no coverage)	[]	[]	[]
Glass damage – If so what is the Deductible _____	[]	[]	[]
Irrigation Controllers and/or Computerized Systems	[]	[]	[]
Landscaping and if so, how much \$ _____	[]	[]	[]
Lights and Light Poles	[]	[]	[]
Marble	[]	[]	[]
Metal Smokestacks	[]	[]	[]
Paving, roads, walks, courts.....	[]	[]	[]
Piers & Pilings	[]	[]	[]
Pipes Underground (Cost of Discovery?)	[]	[]	[]
Pipes above Ground	[]	[]	[]
Plants, shrubs, trees & Lawns (Increased to _____)	[]	[]	[]
Pollution (Finding underground oil cans, etc.)	[]	[]	[]
Property Off premises	[]	[]	[]
Pump Houses	[]	[]	[]
Retaining walls that are and are not part of building	[]	[]	[]
Sign attached and sign not attached to building	[]	[]	[]
Sprinklers for Landscaping	[]	[]	[]
Swimming Pool, spa, and their equipment	[]	[]	[]
Unit Owner Improvements and betterments	[]	[]	[]
Utilities, underground	[]	[]	[]
Wharves or docks	[]	[]	[]
Other: _____	[]	[]	[]

LIABILITY

(These are normally based on an occurrence bases, i.e. when the situation happened vs. when it was reported. There are limitations of time to report any claim)

	Yes	No	N/A
A letter advising us of status of Notice of Circumstance - Acknowledge the Claim? (If the owner goes directly to the carrier)	[]	[]	[]
Advertising Injury Liability	[]	[]	[]
Are Collection Liability Claims Covered?	[]	[]	[]
Are Defense Costs Inside the Limits?	[]	[]	[]
Are Defense Costs Outside the Limits?	[]	[]	[]
Are both malicious and non-malicious threats defended?	[]	[]	[]
Bodily Injury	[]	[]	[]
Bodily Injury caused by Pollution Conditions (i.e. pesticides)	[]	[]	[]
Coverage amount per occurrence - \$ _____			
Coverage amount aggregate - \$ _____			
Deductible \$ _____			
Does the Liability policy extend to sit over the Directors and Officers? Policy as well? Many don't!	[]	[]	[]
Environmental Impairment Liability Coverage	[]	[]	[]
Extended Bodily injury/Incidental Medical Malpractice	[]	[]	[]
Host Liquor Liability	[]	[]	[]
Include Environmental Impairment (Pollution) Issues	[]	[]	[]
Is Employment practices liability needed?	[]	[]	[]
Is our manager and management company automatically covered	[]	[]	[]
Is there a deductible for Liability coverage on recommended policies?	[]	[]	[]
Medical Payments Coverage for Unit Owners in Common Areas – As Required by Nevada law	[]	[]	[]
Non-owned auto included?	[]	[]	[]
Printed slander claims	[]	[]	[]
Separate Liability Limit for Personal Injury and Advertising Injury	[]	[]	[]
Umbrella Coverage – Amount \$ _____			

DIRECTORS AND OFFICERS LIABILITY

(These are Claims Made Policies vs. Occurrence as the liability policies are normally- Check for retroactive dates as no claims before that date will be covered.)

	Yes	No	N/A
60 Days to elect to purchase extended reporting period.	[]	[]	[]
A Homeowner sues to compel the board to purchase insurance?	[]	[]	[]
A unit owner sues because a volunteer sexually harasses a child at the pool.	[]	[]	[]
A unit owner sues to prevent the removal of trees in the common areas	[]	[]	[]
A Unit Owner’s tenant dues the board for wrongful eviction?	[]	[]	[]
A Vendor sues the board and the association for breach of contract?	[]	[]	[]
An outgoing board president sues to challenge the validity of an election	[]	[]	[]
Are any Collection D & O Claims Covered?	[]	[]	[]
Are Committee Members Covered?	[]	[]	[]
Are Defense Costs Inside the Limits?	[]	[]	[]
Are Defense Costs Outside the Limits?	[]	[]	[]

Are Director Spouses (Marital Endorsement) Covered?	[]	[]	[]
Are Employee's covered - Employment Practices Liability both for D & O & workers comp, if we have it?	[]	[]	[]
Are Fair Housing Discrimination claims excluded on your policies?	[]	[]	[]
Are independent contractors who work just for us covered?.....	[]	[]	[]
Are both Malicious and Non-Malicious threats defended?	[]	[]	[]
Are Monetary and Non-Monetary Claims	[]	[]	[]
Are Past Director's Covered (Even if no longer an Owner)?	[]	[]	[]
Are the Committee members and other volunteers covered both for D&O & Workers comp if we have it?	[]	[]	[]
Are the developer appointed directors covered in this policy?.....	[]	[]	[]
Are there any exclusions of which we should be aware?	[]	[]	[]
Are there exclusions from claims arising from damage to tangible property?	[]	[]	[]
Automatic coverage for community management companies	[]	[]	[]
Broad definition of claim including monetary and non-monetary claims	[]	[]	[]
Claims made form – Reported as soon as practicable, but no later than 60 & after the end of the policy period.	[]	[]	[]
Coverage amount \$ _____and does it fall under the umbrella coverage?	[]	[]	[]
Coverage of Directors, Past Directors, Officers, Employees, Volunteers & Committee Members.	[]	[]	[]
Coverage provided for libel, slander, defamation, publishers liability & personal injury.....	[]	[]	[]
Deductible Amount: \$ _____			
Defense coverage for allegations of dishonesty/fraud, unless proven by judgment or other final adjudication.....	[]	[]	[]
Defense coverage for breach of contract claims	[]	[]	[]
Defense of 3 rd Party breach of contract claims?	[]	[]	[]
Do you offer tail policies if we change policies?	[]	[]	[]
Do they defend the board if they are in breach of a contract?	[]	[]	[]
Do they defend if a unit owner is suing to compel the Board to purchase insurance?	[]	[]	[]
Do they defend if the Community Manager sues the association for slander seeking emotional distress damages?	[]	[]	[]
Do they defend if a unit owner sues because a volunteer sexually harasses a child at the pool?	[]	[]	[]
Do they defend if the Community Manager is sued for an alleged unauthorized entry into a unit owner's condominium?	[]	[]	[]
Do they cover if a unit owner's tenant sues the board for wrongful eviction because of enforcement of the Unit Owner?	[]	[]	[]
Does it cover <i>Appointed</i> Directors and Officers?	[]	[]	[]
Does it cover prior unknown acts?	[]	[]	[]
Does the policy cover defense of Director against Director or as some of them call it, client against client?.....	[]	[]	[]
Does the policy have the Duty to Defend/Pay on Behalf Policy Language?	[]	[]	[]
Duty to defend vs. reimbursement of legal costs?	[]	[]	[]
EPL – Employment Practices Liability – Coverage for discrimination, retaliation, sexual harassment, workplace harassment and wrongful termination; also includes coverage for mental anguish & Emotional			

distress. Third party coverage as well	[]	[]	[]
Entity Coverage (the organization and its nonprofit subsidiaries covered)	[]	[]	[]
Full insured vs. insured coverage, including entity vs. insured.	[]	[]	[]
Full Prior Acts Coverage Available			
No Co-Insurance or Retention	[]	[]	[]
Unknown Prior Acts Coverage	[]	[]	[]
Have you reviewed the CC&R's and other documents for required coverage? (The agent)	[]	[]	[]
Is Breach of contract covered?	[]	[]	[]
Is defamation, invasion of right of privacy, wrongful eviction and Malicious prosecution covered?	[]	[]	[]
Is the Manager/Agent Covered (Staff within the Mgt. Co.)?	[]	[]	[]
Is there a retroactive date?	[]	[]	[]
Is there a Noise exclusion?	[]	[]	[]
No exclusions for anti-trust or copyright infringement	[]	[]	[]
No noise exclusion.	[]	[]	[]
Non-pecuniary Relief	[]	[]	[]
Pecuniary Relief with Defense Costs Outside of Limits	[]	[]	[]
Personal Injury/Publisher's Liability Offense	[]	[]	[]
Punitive damages are covered under state law	[]	[]	[]
Spousal and domestic partner extension	[]	[]	[]
The Association's doorman sues for wrongful termination?	[]	[]	[]
The CAM is sued for an alleged unauthorized entry into a condo unit? .	[]	[]	[]
The Community Manager sues the association for slander seeking emotional distress damages?	[]	[]	[]

OTHER FINANCIAL & SERIOUS COVERAGE

	Yes	No	N/A
Community Manager and Firm Included for Fidelity/Crime	[]	[]	[]
• Theft			
• Safe burglaries			
• Embezzlement			
• Forgery			
• Computer fraud			
• Credit card fraud			
• Counterfeiting			
• Manager rider			
• Non-compensated officer rider			
• CPA / accountant rider			
Does the Fidelity Coverage require a conviction before paying a claim?	[]	[]	[]
How will the agent insure that our coverage is a required by Nevada Law, which requires 3 months worth of assessments and the amount in reserves up to \$5 Million or less? Check to see if this has changed every legislative session. _____			
Employee Dishonesty (Fidelity) Coverage to satisfy Nevada laws?	[]	[]	[]
Are all employees covered and is the community manager covered?	[]	[]	[]
Environmental Impairment Liability Coverage (Water damage, other liquids, powder or molten material damage)	[]	[]	[]
Wind /hail damage to interior by endorsement	[]	[]	[]

Worker's Compensation Coverage (regardless if there are employees or not.)			
Board members Covered	[]	[]	[]
Volunteers covered?	[]	[]	[]
Any direct payroll coverage?	[]	[]	[]
Computer, wire and or Cyber Fraud - Cyber-Crime/Theft?	[]	[]	[]
Cyber Liability needed or included?.....	[]	[]	[]
Depositors Forgery	[]	[]	[]
Electronic Data Processing Equipment, Media and Supplies	[]	[]	[]
Elevator and Escalator Collisions	[]	[]	[]
Garage and Parking Area (RV Parking Lots?)	[]	[]	[]
Legal Liability	[]	[]	[]
Comprehensive Coverage	[]	[]	[]
Collision Coverage	[]	[]	[]
Garage Keepers Legal Liability Coverage (Valeting Cars).....	[]	[]	[]
Governmental Actions (Normally excluded in all policies)	[]	[]	[]
Hired and/or Non-Owned Auto Coverage	[]	[]	[]
Mechanical & Equipment (Boiler)	[]	[]	[]
Media Costs	[]	[]	[]
Money & Securities	[]	[]	[]
Nuclear Hazard (Most exclude, but we have to ask?)	[]	[]	[]
Does policy language follow the CC&R's or does it supersede the CC&R information of which building components are to be covered? ...	[]	[]	[]

IMPORTANT QUESTIONS AND REMINDERS:

I. WHO WILL BE CHECKING THE ASSOCIATION'S DOCUMENTS TO SEE THAT THE COVERAGE OFFERED IS WHAT IS REQUIRED IN THE DOCUMENTS? DON'T MISS ANY OF THE DOCUMENTS, INCLUDING THE ARTICLES OF INCORPORATION AND BYLAWS .

II. HAS THE ASSOCIATION DRAFTED A "DEDUCTIBLE" POLICY? Having this Board of Director's Policy in place before the claim happens will save the Manager and the Board a lot of grief and last-minute decision making. Owners can get coverage for any deductibles charged to the owners on their own policy if advised in advance that the deductible is their responsibility to pay on anything that affects their unit.

III. HAS THE ASSOCIATION DEVELOPED A CHECKLIST OF POSSIBLE RISKS?

IV. HAVE YOU ASKED YOUR OWNERS TO PREPARE A CHECKLIST OF THEIR INDIVIDUAL RISKS TO MAKE SURE THEY ARE ADEQUATELY COVERED FOR THEIR OWN PROPERTY?

- V. ***HAS YOUR INSURANCE CARRIER PROVIDED A LETTER TO GIVE TO YOUR OWNERS TO MAKE SURE THAT ALL PARTIES ARE ADEQUATELY COVERED AND THAT THERE ARE NO GAPS IN COVERAGE? THIS DOCUMENT SHOULD DETAIL WHERE THE ASSOCIATION'S COVERAGE STOPS, AND THE UNIT OWNER'S COVERAGE STARTS. EVEN KNOWLEDGEABLE INDUSTRY PEOPLE DON'T UNDERSTAND WHAT A "MASTER" POLICY IS.***
- VI. ***KNOW WHAT THE EXCLUSIONS ARE IN THE POLICY***
- VII. ***KNOW WHAT THE CONDITIONS ARE IN THE POLICY. (Some exclusions can be shown here.)***
- VIII. ***KNOW WHAT THE DEFINITIONS STATE IN THE POLICY AS SOME OF THEM CAN EXCLUDE SOME COVERAGE BY DEFINITION. (Some exclusions can be shown here.)***
- IX. ***KNOW WHAT A CLAIM IS AS DEFINED IN THE POLICY.***
- X. ***KNOW WHAT THE POLICY SAYS ABOUT ADMINISTRATIVE PROCEEDINGS and/or EMPLOYMENT.***
- XI. ***KNOW HOW MUCH TIME YOU HAVE TO SUBMIT ANY POTENTIAL CLAIM. VERY IMPORTANT THAT YOU CONTACT THE INSURANCE COMPANY FIRST AND THEN THE ATTORNEY IN A LAWSUIT OR NOTICE OF CLAIM.***

(This list is being provided for discussion purposes only and is not intended to ensure that each community has adequate insurance and is not all inclusive. Each community must meet with their agent/broker to determine if there are other insurance needs that need to be met to satisfy the documents and the law.)

NEVADA NRS 116 INSURANCE PROVISIONS

NRS 116.3113 Insurance: General requirements.

1. Commencing not later than the time of the first conveyance of a unit to a person other than a declarant, the association shall maintain, to the extent reasonably available and subject to reasonable deductibles:

(a) Property insurance on the common elements and, in a planned community, also on property that must become common elements, insuring against risks of direct physical loss commonly insured against, which insurance, after application of any deductibles, must be not less than 80 percent of the actual cash value of the insured property at the time the insurance is purchased and at each renewal date, exclusive of land, excavations, foundations and other items normally excluded from property policies;

(b) Commercial general liability insurance, including insurance for medical payments, in an amount determined by the executive board but not less than any amount specified in the declaration, covering all occurrences commonly insured against for bodily injury and property damage arising out of or in connection with the use, ownership, or maintenance of the common elements and, in cooperatives, also of all units; and

(c) Crime insurance which includes coverage for dishonest acts by members of the executive board and the officers, employees, agents, directors and volunteers of the association and which extends coverage to any business entity that acts as the community manager of the association and the employees of that entity. Such insurance may not contain a conviction requirement, and the minimum amount of the policy must be not less than an amount equal to 3 months of aggregate assessments on all units plus reserve funds or \$5,000,000, whichever is less.

(d) Directors and officer's insurance that is a nonprofit organization errors and omissions policy in a minimum aggregate amount of not less than \$1,000,000 naming the association as the owner and the named insurance. The coverage must extend to the members of the executive board and the officers, employees, agents, directors and volunteers of the association and to the community manager of the association and any employees

thereof while acting as agents as insured persons under the policy terms. Coverage must be subject to the terms listed in the declaration.

2. In the case of a building that contains units divided by horizontal boundaries described in the declaration, or vertical boundaries that comprise common walls between units, the insurance maintained under paragraph (a) of subsection 1, to the extent reasonably available, must include the units, but need not include improvements and betterments installed by units' owners.

3. If the insurance described in subsections 1 and 2 is not reasonably available, the association promptly shall cause notice of that fact to be given to all units' owners. The declaration may require the association to carry any other insurance, and the association may carry any other insurance it considers appropriate to protect the association or the units' owners.

4. An insurance policy issued to the association does not prevent a unit's owner from obtaining insurance for the unit's owner's own benefit. (Added to NRS by [1991, 565](#); A [2011, 2445](#))

NRS 116.31133 Insurance: Policies; use of proceeds; certificates or memoranda of insurance.

1. Insurance policies carried pursuant to [NRS 116.3113](#) must provide that:

(a) Each unit's owner is an insured person under the policy with respect to liability arising out of the unit's owner's interest in the common elements or membership in the association;

(b) The insurer waives its right to subrogation under the policy against any unit's owner or member of his or her household;

(c) No act or omission by any unit's owner, unless acting within the scope of his or her authority on behalf of the association, voids the policy or is a condition to recovery under the policy; and

(d) If, at the time of a loss under the policy, there is other insurance in the name of a unit's owner covering the same risk covered by the policy, the association's policy provides primary insurance.

2. Any loss covered by the property policy under subsections 1 and 2 of [NRS 116.3113](#) must be adjusted with the association, but the proceeds for that loss are payable to any insurance trustee designated for that purpose, or otherwise to the association, and not to any holder of a security interest. The insurance trustee or the association shall hold any insurance proceeds in trust for the association, units' owners and lienholders as their interests may appear. Subject to [NRS 116.31135](#), the proceeds must be disbursed first for the repair or restoration of the damaged property, and the association, units' owners, and lienholders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the property has been completely repaired or restored, or the common-interest community is terminated.

3. An insurer that has issued an insurance policy under this section shall issue certificates or memoranda of insurance to the association and, upon written request, to any unit's owner or holder of a security interest. The insurer issuing the policy may not cancel or refuse to renew it until 30 days after notice of the proposed cancellation or nonrenewal has been mailed to the association, each unit's owner and each holder of a security interest to whom a certificate or memorandum of insurance has been issued at their respective last known addresses. (Added to NRS by [1991, 565](#); A [2003, 1210](#); [2011, 2445](#))

NRS 116.31135 Insurance: Repair or replacement of damaged or destroyed portion of community.

1. Any portion of the common-interest community for which insurance is required under [NRS 116.3113](#) which is damaged or destroyed must be repaired or replaced promptly by the association unless:

(a) The common-interest community is terminated, in which case [NRS 116.2118](#), [116.21183](#) and [116.21185](#) apply;

(b) Repair or replacement would be illegal under any state or local statute or ordinance governing health or safety; or

(c) Eighty percent of the units' owners, including every owner of a unit or assigned limited common element that will not be rebuilt, vote not to rebuild.

2. The cost of repair or replacement in excess of insurance proceeds, deductibles and reserves is a common expense. If the entire common-interest community is not repaired or replaced:

(a) The insurance proceeds attributable to the damaged common elements must be used to restore the damaged area to a condition compatible with the remainder of the common-interest community; and

(b) Except to the extent that other persons will be distributees:

(1) The insurance proceeds attributable to units and limited common elements that are not rebuilt must be distributed to the owners of those units and the owners of the units to which those limited common elements were allocated, or to lienholders, as their interests may appear; and

(2) The remainder of the proceeds must be distributed to all the units' owners or lienholders, as their interests may appear, as follows:

(I) In a condominium, in proportion to the interests of all the units in the common elements; and

(II) In a cooperative or planned community, in proportion to the liabilities of all the units for common expenses.

3. If the units' owners vote not to rebuild any unit, that unit's allocated interests are automatically reallocated upon the vote as if the unit had been condemned under subsection 1 of [NRS 116.1107](#), and the association promptly shall prepare, execute and record an amendment to the declaration reflecting the reallocations. (Added to NRS by [1991, 566](#); A [1993, 2370](#); [2011, 2446](#))

NRS 116.31138 Insurance: Variance or waiver of provisions in community restricted to nonresidential use. The provisions of [NRS 116.3113](#), [116.31133](#) and [116.31135](#) may be varied or waived in the case of a common-interest community all of whose units are restricted to nonresidential use. (Added to NRS by [1991, 567](#))

NRS 683C.010 "Insurance consultant" defined. As used in this chapter, unless the context otherwise requires, "insurance consultant" means a person who, for a fee, holds himself or herself out to the public as engaged in the business of offering advice, counsel, opinion or service with respect to the benefits, advantages or disadvantages promised pursuant to any policy of insurance that could be issued in this State. (Added to NRS by [1995, 1610](#))

NRS 683C.020 License required; exceptions; penalty.

1. Except as otherwise provided in subsection 2, no person may engage in the business of an insurance consultant unless a license has been issued to the person by the Commissioner.

2. An insurance consultant's license is not required for:

(a) An attorney licensed to practice law in this State who is acting in his or her professional capacity;

(b) A licensed insurance agent, broker or surplus lines broker;

(c) A trust officer of a bank who is acting in the normal course of his or her employment; or

(d) An actuary or a certified public accountant who provides information, recommendations, advice or services in his or her professional capacity.

3. A person required to be licensed in this State who acts as an insurance consultant without a license is subject to an administrative fine of not more than \$1,000 for each act or violation. (Added to NRS by [1995, 1610](#); A [2003, 3297](#))