

GOOD SENSE GOVERNANCE

*How to Make Decisions and
Stay Out of Court*



WHY ARE WE HERE?

2020 CLAIMS REPORTING

56

CLAIMS
FILED

10/1/19 through 9/1/20



- 12 challenges to association decisions
- 11 employment/discrimination
- 7 antitrust
- 7 copyright/trademark
- 5 MLS-related claims
- 5 ADA website accessibility
- 2 crime claims
- 7 other

DECISION CHALLENGES: BREAKDOWN

9 challenges to ethics/arbitration/MLS decisions

- 3 suited claims involving arbitration decisions
- 6 threats of litigation

3 challenges to board of director decisions

- 1 suited claim arising out of merger and sale of association property (*dismissed*)
- 2 threats of litigation over an amendment to bylaws and over a merger

DECISION CHALLENGES: CLOSED CASE

Member claimed online voting procedures used for a merger vote violated state law and filed an emergency temporary injunction.

RESULT: Settled

COST: \$14,173 settlement

\$16,500 in defense costs

DECISION CHALLENGES: CLOSED CASE

Member was sanctioned for harassment by an internal investigation panel and filed lawsuit alleging lack of due process.

RESULT: Settled

COST: \$9,000 settlement

\$56,500 in defense costs

DECISION CHALLENGES: COVERAGE

What's covered?

Wrongful Act means any negligent act, error, omission, misstatement, misleading statement or breach of fiduciary duty by the **Association** or **Insured Persons** in the discharge of their duties.

Includes (but not limited to):

- The services by an Insured on or in connection with any Professional Standards Committee, Arbitration Panel or Grievance Committee or other committee or activity of the Insured.
- Providing multiple listing services, information dissemination services and political and/or legislative action services.
- Actions by an Insured on behalf of the Association for or in connection with the providing of membership services or for or in connection with the screening of new members or the maintenance or discipline of existing membership and/or termination of membership.

Note: General discussion only. All coverage decisions are made by the insurer at the time a claim is filed.

DECISION CHALLENGES: COVERAGE

Who's covered?

Directors & Officers

Committee
Members

Employees

*While acting within
the scope of their
duties on behalf of
the association/MLS.*

Note: General discussion only. All coverage decisions are made by the insurer at the time a claim is filed.

DECISION CHALLENGES: COVERAGE

What's NOT covered?

Any **Claim** alleging, based upon, arising out of, or attributable to any fraudulent, criminal, dishonest, malicious, or intentional act, error or omission, or any intentional or knowing violation of the law by the **Association** or any **Insured Person**

Note: General discussion only. All coverage decisions are made by the insurer at the time a claim is filed.



CHARLIE LEE

NAR Senior Counsel



MATT BERNSTEIN

Vernis & Bowling

EXCESS INSURANCE



EXCESS COVERAGE APPLICATION INSTRUCTIONS

Associations and MLSs **must** complete and submit their applications for all excess coverage electronically by visiting <https://nar.aon.com>. **You must have your NRDS ID available to complete the one-time registration process. Please follow steps 1 and 2 below to complete your registration.** Once registered, you may apply for the optional excess IA/IC (Professional Liability and Cyber), IB.2 (Antitrust), Crime and Patent Litigation coverage(s) and will have access to the completed applications for future reference. *If you completed the registration process last year, you may enter your user name and password at the log in screen and proceed with steps 4-6 below. Online coverage purchases from the previous year may also be viewed by clicking the "View Applications" tab.*

1. Click "register"; a box will pop open prompting you to enter your NRDS ID and last name. The last name entered MUST match the name listed in the NRDS database (usually the AE's name); this allows for verification and secure access to the site. Once entered, click on the "register" button. Next, another box will open a form that is prepopulated with your NRDS number, your name, and physical address and will prompt you to enter your Association/MLS name, title, email and phone number. **Please make sure the information entered here is what you want to appear on your application.** You will also create your user name and password during this step. Once complete, click register.
2. Your screen view should now show a "Thank You for Registering" message; you will then be redirected to the login screen where you will enter your user name and password.
3. Once logged in, you will click "create application" at the top of your screen where you will select your desired coverage(s).
4. Clicking on your coverage selection will open the desired application; please complete the provided fields in their entirety. Once complete, you can either save as a draft for future completion or click submit. Clicking submit will automatically attach an e-signature of the registered user. A confirmation email containing a copy of the completed application will be sent to the email address entered at registration.
5. Following submission of the application, a message will pop up in your browser confirming your successful submission of the application. A new window will open in your browser to NAR's e-Commerce Network log-in page, allowing you to pay for your excess insurance coverage(s). **THE NRDS ID USED MUST BELONG TO A MEMBER OR STAFF OF THE ASSOCIATION OR MLS PURCHASING INSURANCE.** If you would like to purchase additional excess coverage, complete and submit the additional applications prior to making your payment through e-Commerce.
6. Once you have completed and submitted all applications, log in to the e-Commerce network and enter the total amount owed for your excess insurance coverage purchases. Enter your credit card information in the fields provided.

THE DEADLINE TO PURCHASE EXCESS COVERAGE IS APRIL 1, 2021.

If you have questions regarding the electronic application, payment and/or registration process, please contact Gayle Andrews at (312) 381-7049 or via email at Gayle.Andrews@aon.com.

DEADLINE TO PURCHASE IS APRIL 1

QUARTERLY TREND REPORT



COMING MID-APRIL!

MORE INFORMATION

NAR INSURANCE PROGRAM

nar.realtor/nar-insurance-program

AON ACCOUNT EXECUTIVES

Gayle Andrews

Gayle.Andrews@aon.com

312-381-7049

Laura Sereika

Laura.Sereika@aon.com

312-381-2602