

**Is your
Board and
Community at
Risk Because
Vendors are
Not Insured
Properly?**

90%

of insurance certificates
are incomplete or
inaccurate

40%

of vendors with
insurance do not have
the proper coverage

10%

of vendors have
full policy exclusions
for working on condos



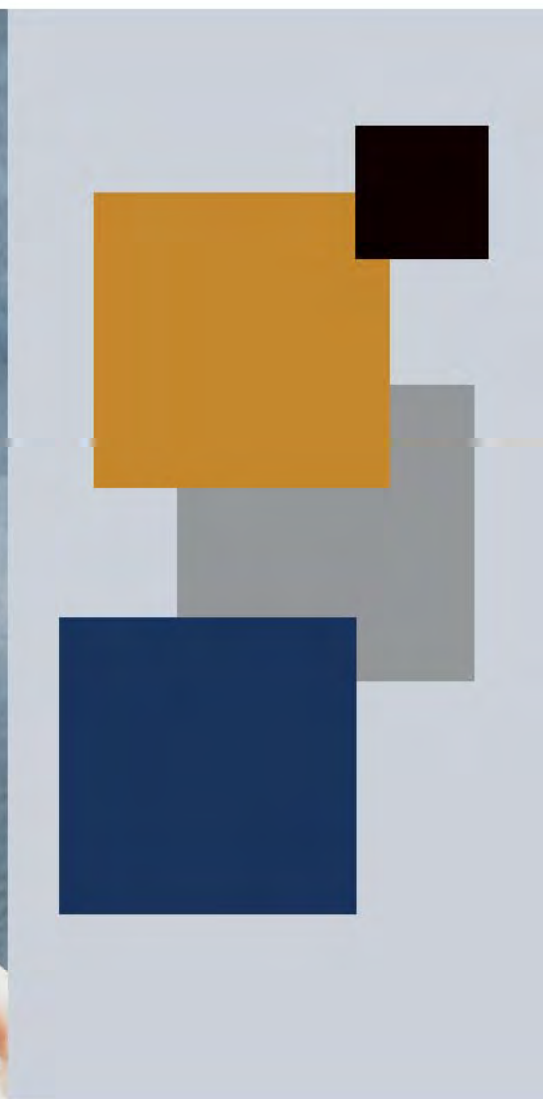
Don't end up like the community that paid \$6M for a worker's comp claim from a \$1,200 gutter job.



**Want a risk free solution at no cost to
your association?
Read the following pages for more information.**

Centralizing Service Providers Equals Increased Asset Protection

A CASE FOR VENDOR COMPLIANCE FOR HOA'S AND BOARD MEMBERS





About Association Services Network

Association Services Network (ASN) is the only Vendor Compliance Company that specializes in Association Management Vendor Compliance. ASN is backed with over 35 years of HOA & Property Management Insurance experience. ASN's Program tracks and manages in real time the multiple date and data complexities of Vendor Certificates of Insurance (COI) and reports the status in a real time, 24/7 available Vendor Directory.

Why Outsource Vendor Compliance

The most imperative reason for Property Management Companies and Associations that they successfully stop from performing Vendor Compliance In-House is that E&O Policies exclude Insurance Verification. You need to be a licensed insurance agent or broker to conduct this type of professional review, and all E&O policies have standard exclusions that will not cover Vendor Compliance related work. ASN has a license and insured to perform Vendor Compliance Reviews.

With 90% of Vendor Certificates being incomplete or corrupt upon submission and 40% of Vendor Certificates not having the proper coverages, it is more important than ever to have a system for verifying and validating business and insurance information. ASN recognizes that a Vendor is a professional in their trade and not in insurance. Our primary focus is to educate Service Providers on the needs within the industry and elevate them to a renowned and respected professional.

ASN Elevates Service Providers

An ASN Membership means more than simply verifying receipt of insurance certificates. ASN prides itself on being the "Spell Check" for Vendor Insurance as well as being an information and marketing resource for Vendors seeking to elevate their business within the Property Management and HOA Industry.

More than Membership

Each vendor, if needed, receives a minimum of 2 phone calls and 6 emails as part of their annual membership. It's common during initial onboarding that a vendor will receive 4 to 6 phone calls and 12 or more emails. ASN works with their agents to resolve the complexities of the requirements.

Dedicated Support Team

ASN's Support Team responds to Vendor requests within a designated period. ASN maintains contact records on each Vendor and can provide calls reports, tasks completed and insurance certificates on a request basis.

Typically, ASN's Support Team spends 80% of their time dedicated to the following areas within the Vendor Compliance Program:

Vendor Information Form

A Vendor Information Form (VIF) is a snap shot of the service provider's company. The information contained in the Vendor Information Form is what management companies and their managers to use to scout service providers for their upcoming jobs. It is a Vendor's best source for marketing to individual managers within an association.

Why is it important that a Vendor Completes a Vendor Information Form?

A Vendor Information Form aids in the ability to satisfy a compliant status. Insurance Agent information is a requirement to expediently process renewal certificates. Association Services Network (ASN) uses the details in the Vendor Information Form to determine the need for Worker's Compensation & Auto Insurance. It also provides important tax information that is shared with the management companies. The details about service provider's operations are loaded into a database as resources for managers so that they can have access to Vendor Directory profiles 24/7.



Is it possible for a Vendor to be Compliant without a Vendor Information Form?

No. Due to the data contained in a Vendor Information Form and the links to the system, we cannot make a company compliant without a completed Vendor Information Form.

Certificates of Insurance

Vendor Certificates of Insurance are issued directly from their Insurance Agent, why do the certificates need to go through a verification process? In the area titled "Coverages" on the Acord 25 Certificate of Liability Insurance the following statement appears:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

The standard "Certificate of Liability Insurance" is simply a verification of coverages; without additional reference and contractual solidification a certificate CAN NOT provide coverages to the Certificate Holder or Named Additionally Insured.

Simply put, without proper wording on the certificate, proper written agreements between the parties you are doing business with and proper endorsements attached, the coverages on the certificate can be worthless to Management Companies and the Associations they are trying to protect.

ASN utilizes a basic checklist for each Vendor Membership:

- | | |
|---|---|
| Email Vendor Login & Password | General Liability Coverage Limits |
| Call New Vendor's to Welcome & Review Portal Processes | Commercial Auto Coverage Types & Limits |
| Follow-up with Vendor after Certificate Submittal | Worker' Compensation Coverage Limits |
| Company Information (Legal Name) | Waiver of Subrogation to Worker's Compensation |
| Accounting Information (W9 and Tax ID) | Description of Operations – Additional Insured |
| Marketing & Bidding Information | Condo Endorsement or Exclusions Verified |
| Verify License & Trade Information | Certificate Holder |
| Insurance & Carrier Information | Authorized Signature |
| Insurer Rating & NAIC / AM Best Rating | Vendor Listed on Directory |
| Registered Legal Name) | Vendor VIForm Updated with License & RFP Email |
| Additional Insured Added | Agent Follow-up or Resolve Certificat |



How long should the Certificate of Insurance verification process take to complete?

Most certificates are verified, and compliance status is updated within 72 hours. On rare occasions, a vetting process could take longer depending on your company's risk category, your agent's understanding of coverages, and policy limits.

If a Vendor is found to be Non-Compliant what steps are taken to help them become Compliant?

Simple Non-Compliance for policy renewals or coverage limits can usually be resolved by contacting the Vendor's Insurance Agent and having them send updated certificates.

Complex Non-Compliance for coverages and contractual issues may require a new policy or additions to an existing policy. If this type of Non-Compliance issue arises, we will have an ASN Support Team Member work directly with the Vendor and their agent to find a solution. If a solution cannot be forged, then ASN will consider recommending alternate sources for insurance coverage. If no solution is available and the Vendor is considered Non-Compliant for coverages and / or limits and not able to perform any services for the management company they registered with, ASN will authorize a refund or discounted package.

Additional Insured

Additional Insured is a person or organization that enjoys the benefits of being insured under an insurance policy, in addition to whoever originally purchased the insurance policy.

Most often the term Additionally Insured applies where the original named insured needs to provide insurance coverage to additional parties such as the property management company and the associations they

service so that they "all" can have protection from a new risk that arises out of the original named insured's conduct or operations.

An additional insured often gains this status by means of an endorsement which is added to the policy and that either identifies the additional party by name or by a general description contained in a "blanket additional insured endorsement."

Condo Endorsement / Non Exclusion

A Condo Endorsement is a part of a Vendor's policy that either excludes work on Condo or Multi-Family projects and / or limits the coverages related to this type of project.

An example would be if a Vendor is a Roofing Contractor, the policy might have a Condo Endorsement that allows them to perform on existing structures but not new condominium structures.

Another example would be if a Vendor is an Electrician, their policy might have a Condo Endorsement that allows them to do electrical for existing condominium structures but excludes stucco work.

Why does a Vendor need to provide a Condo Endorsement when the association they are currently performing work on is a detached residential property or PUD?

Management companies have multiple properties which usually include condominiums projects. The Vendor Directory and Compliance Records are set up to allow maximum exposure to Vendors who can complete work and have insurance for all managed properties.



What if a Vendor's insurance company doesn't have an exclusion or limit for work on Condos?

We will accept a Letter of Non-Exclusion from your insurance agent provided on their agent letterhead or via their agent email.

What is a Letter of Non-Exclusion?

The letter of non-exclusion states that your policy does not have any limits or exclusions and that you are cleared to work on condominium projects.

Waiver of Subrogation

A Waiver of Subrogation is a special type endorsement on a Worker's Compensation policy that prohibits the insurer (aka policy issuer) from attempting to seek restitution from a third party (in this case the property management company and/or the Homeowner's Association).

Why is there a charge for a Waiver of Subrogation?

Premium charges for Waivers of Subrogation are standard in the insurance industry. Here's why: The right of subrogation is the process where an insurance company, after paying a claim to its insured, can recover that payment from any party who caused the loss or is legally liable for the loss.

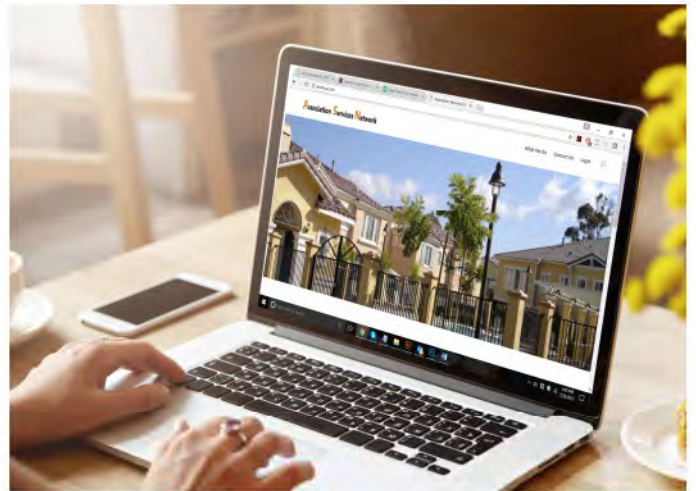
When a policyholder elects to waive the right of subrogation as a part of their insurance coverage, your insurance company is then limited or prohibited altogether from recovering the money it has paid on a claim – even though the loss was caused by a negligent third party. So, charging for the Waiver of Subrogation helps offset the cost of the money paid on a claim that otherwise your insurance company would try to recover from a negligent third party.

Why do Vendor's need a Waiver of Subrogation?

More and more management companies are requiring a Waiver of Subrogation as an added layer of protection and transferring the risk away from them and the associations they manage.

Vendor Responsibility

The burden for license and insurance coverage rests with the Vendor; this is the reason the membership fee is passed along to the vendor. Most Vendors, when they realize they receive added layers of protection by having their coverages checked, don't mind the fee. The marketing resources they gain because of the Vendor Directory and ASN's Network are a bonus. As part of the ASN Network, Vendors in the HOA Industry help surpass a standard of excellence and compete on a fair playing field. Everyone wins. HOAs gain layers of protection resulting in less risk to their owners and reserves, and a Management Company adds layers of protection for not only themselves but all associations they manage.





For more information visit
[**www.asn4hoa.com/comfi**](http://www.asn4hoa.com/comfi)