

WHY DO I HAVE TO BUY INSURANCE WHEN I RENT OUR COMMUNITY CENTER FOR A PARTY?"

This question has been asked numerous times by the owners here at Redmond Ridge, so we asked our Insurance Agent for the answer. Printed below is her reply, and it certainly makes sense!

"The Community Center building is covered by the Association's Master policy for slips and falls among other things. If the Association allows an owner to use this building without purchasing a Special Event policy, it is the large Association Master policy that would respond in the event of a claim. When someone rents the building from the Association, they can be sued (as the person hosting the event) right along with the Association (because they own the building). When you purchase a Special Event policy, it's that policy that will respond to the claim or suit, not the Association's Master policy. Simply providing proof that you have Homeowners Insurance isn't adequate protection for the Association. Those companies won't tender defense on the Association's behalf should they get named in a suit involving someone who rented the building. Having the renter sign a Release does not prevent someone else who attends the party or event from filing a lawsuit. You only need to read the paper to see how companies labeled as "deep pockets" get named in suits all the time. Unfortunately, lawyers tend to name everyone in a suit and sort it all out later."

We're sure you'll agree that the Association has to be protected and shielded from lawsuits and claims involving the rental of our Community Center Building. The only way to do that is to require the renter to purchase a Special Event policy that names our Association as an Additional Insured for the event. These policies are very inexpensive if you consider the coverage it is providing our Association.