



**SHAW & LINES, LLC**  
COUNSELORS TO COMMUNITY ASSOCIATIONS

**Attorneys**

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\*Also licensed in Nebraska

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**Address**

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www.shawlines.com

**THE COMMUNITY ASSOCIATION LAW  
LUNCH & LEARN LECTURE SERIES  
JANUARY 13, 2011**

**Protecting the Community Association:  
What Every Community Association Should  
Know About  
Association Insurance.**

Authored and presented by  
Augustus H. Shaw IV, Esq.  
Shaw & Lines, LLC  
[www.shawlines.com](http://www.shawlines.com)

**D**ICKS  
**C**OGLIANESE &  
**S**HUQUEM  
Construction Defect Lawyers  
Making What's Wrong Right





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## THE \$650\* ASSOCIATION COLLECTIONS PROGRAM

Shaw & Lines, LLC is excited to announce the \$650\* Association Collection Program (the “Program”). The Program allows an Association to take advantage of a highly qualified Law Firm at vastly reduced rates. For all new collections accounts, Shaw & Lines, LLC will:

### Obtain Collection Information

Perform a bankruptcy search, Notice of Trustee Sale search and verify ownership of the property. If any issues arise such as a bankruptcy or Trustee Sale, we will notify the Association prior to sending a letter and at no charge. If requested by the Association, Shaw and Lines will hire a private investigator to look for employment. If no employment is found, there is no fee and we will inform the Association. If employment is found, a fee of \$250 will be charged and the Association will be notified.

### Send Initial Collection Demand Letter, Obtain Payment in Full or A Payment Arrangement or A Personal Money Judgment Justice Court Lawsuit For \$650.00\*

Draft an initial collection demand letter, obtain payment in full or a payment arrangement or prosecute a justice court personal money judgment lawsuit by obtaining a default judgment for the flat rate of \$650.00\*. If an answer is filed, Shaw & Lines, LLC will obtain a personal judgment for an additional fee<sup>1</sup>.

### Post Judgment Fees

All post judgment litigation will be billed at the rate of \$200.00 (reduced from \$250.00 per hour).

As always, there is no charge for monthly status reports and status report phone calls from the Association’s manager or Board. Status reports may be obtained at anytime by phone (480-456-1500) or e-mail ([info@shawlines.com](mailto:info@shawlines.com)).

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\* Court Costs, Process Service Fees and other related costs are not included.

1. If an answer is filed, Shaw & Lines, LLC will seek to obtain a judgment at the hourly rate of \$200.00 (reduced from \$250.00 per hour). Trial or any other mandatory appearances in court will be at the same hourly rate.



# SHAW & LINES, LLC

COUNSELORS TO COMMUNITY ASSOCIATIONS

PRESENTS

## THE 2011 COMMUNITY ASSOCIATION LAW LUNCH & LEARN LECTURE SERIES

SEMINAR DATES AND TOPICS INCLUDE:

**April 13, 2011**

**How to Conduct Board Member Training – Key Issues Every HOA Board Should Be Taught.**

An educated Board not only makes a manager’s job easier, but leads to less legal liability. So how does a Board become properly informed? Using the Shaw & Lines Community Association Board Member Manual as a guide and basis of learning, this Seminar will instruct on how Managers and lay Board members can provide a baseline level of training for new and continuing Board Members.

This Seminar will be held at Noon (check in at 11:30) at The Hilton Phoenix Airport - 2435 South 47th St., Phoenix, AZ – State Route 143 & University.

To register for any of the above seminars and lunch, please contact us by:

Phone: 480-456-1500  
E-mail: maria@shawlines.com  
Fax: 480-456-1515

\*The Lunch and Learn Lecture Series is free to all Community Association Managers. Additionally, Board members who are clients of Shaw & Lines, LLC may attend free of charge on a first come, first served basis. Non-clients of Shaw & Lines may attend for a \$40.00 per person fee. The Seminars may qualify for continuing education credit for community managers with the CMCA, AMS and PCAM designations, as well as continuing legal education credits for Arizona certified document preparers.

**DICKS  
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Community Association Banc

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★★★★★

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LANDSCAPING**



**SHAW & LINES, LLC**  
COUNSELORS TO COMMUNITY ASSOCIATIONS

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**PROTECTING THE COMMUNITY ASSOCIATION:**

**WHAT EVERY COMMUNITY ASSOCIATION SHOULD KNOW ABOUT ASSOCIATION INSURANCE**







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**Introduction**

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- Obtaining Community Association Insurance:
  - What Types and Amounts of Insurance are Required;
  - The Association Bid Process;
  - Liability Issues.

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**Introduction**

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- How to Use Community Association Insurance
  - What is a Claim;
  - How is a Claim Communicated to the Insurance Provider;
  - Liability Issues.

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**What Types and Amounts of Insurance are Required**

- When determining what type and amount of insurance a particular community association is required to obtain, one must first look to the community association's CC&Rs.
- Most CC&Rs will have a section dedicated to insurance issues and will discuss what types and amounts of insurance is required.
- If the community association is a condominium association, one must also look to A.R.S. §33-1253 which discusses the types of insurance and coverage amounts an Arizona Condominium is required to obtain.

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**What Types and Amounts of Insurance are Required**

- Generally, there are three main types of community association insurance, said types being:
  - Director's and Officer's Liability insurance;
  - Generally Property Casualty Insurance; and
  - General Liability Insurance.

A community association's CC&Rs may require other types of insurance, such as Workman's Compensation insurance.

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**What Types and Amounts of Insurance are Required**

It is also important to take a look at the community association's current types and amounts of insurance.

A change in an association's types or amounts of insurance without proper notice to the members of the association could lead to potential liability.

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**The Association Bid Process**

Whenever a community association desires to either switch insurance providers, add or reduce insurance coverage, or change the amount of insurance coverage, it is important that the association engage in a formal request for proposal process.

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**The Association Bid Process**

The bid process should begin with:

- Contacting a qualified insurance broker or agent to provide a bid;
- A thorough review, by the broker or agent, of the association's CC&Rs and any other relevant law (i.e. the Condominium Act for condominiums);
- A review of the associations current policy; and
- Request the broker or agent to give a "coverage quote".

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**The Association Bid Process**

Once all relevant information has been gathered, the insurance agent or broker should meet with the Board and property manager to discuss the bid.

It is important that only the agent or broker present the bid to the association. Management should not attempt to explain or otherwise endorse an insurance bid.

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**The Association Bid Process**

Liability Issues:

Make sure to give the broker or agent a copy of all association documents and all previous insurance policies;

Make sure that you not provide an opinion on any policy being presented or recommend one policy over another;

Make sure that the Broker or agent presents the bid and answers all questions concerning the bid;

Make sure to read the insurance policy or obtain a legal opinion to insure all requirements are met.

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**How to Use Community Association Insurance**

What is a claim:

- Any threat of legal action by an owner, vendor or third party;
- Any demand for monetary damages;
- Any demand for property damages;
- Any complaint filed with a governmental authority or agency.

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**How to Use Community Association Insurance**

When should a claim be reported:

- When an association receives any written document (including e-mail) that contains a threat of legal action, a demand for monetary damages or a demand for property damages.
- Any complaint filed with a governmental authority or agency.

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**How to Use Community Association Insurance**

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How should a claim be reported:

Notice of Potential Claim;

To be sent to the insurance broker and the insurer, via certified mail and regular mail, when an association receives any written document (including e-mail) that contains a threat of legal action, a demand for monetary damages or a demand for property damages.

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**How to Use Community Association Insurance**

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How should a claim be reported:

Request for Coverage:

To be sent to the insurance broker and the insurer, via certified mail and regular mail when, an association is actually sued (receives a summons and complaint);

To be sent to the insurance broker and the insurer, via certified mail and regular mail, when a complaint is filed with a governmental authority or agency.

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**How to Use Community Association Insurance**

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Liability Issues:

If you are not sure if you have a claim or potential claim, call your insurance broker, agent or attorney;

Failure to properly tender a claim could result in lost coverage;

Failure to properly tender a claim could bring liability upon a manager;

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Questions?

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**THE \$650 ASSOCIATION  
 COLLECTIONS PROGRAM**

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**DESIGNED TO ADDRESS**

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1. The high cost of attorney based collection services;
2. Uncertainty regarding the costs of collections;
3. The worthiness of sending an account to collections;  
and
4. Keeping informed about all collections files with the attorney.

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IS AN ACCOUNT WORTH SENDING TO COLLECTIONS

1. Prior to beginning the Program, Shaw & Lines, LLC will perform a bankruptcy search, Notice of Trustee Sale search and verify ownership of the property. If any issues arise such as a bankruptcy or Trustee Sale, we will notify the Association prior to sending a letter and at no charge.
2. If requested by the Association, Shaw and Lines will hire a private investigator to look for employment. If no employment is found, there is no fee and we will inform the Association. If employment is found, a fee of \$250 will be charged.

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THE HIGH COST OF ATTORNEY BASED COLLECTION SERVICES

For a Fee of \$650\* Shaw & Lines LLC will:

1. Perform a collections viability search;
2. Draft and send an Initial Collection Demand Letter;
3. Obtain payment in full, a payment arrangement or default Personal Money Judgment\*\*;
4. Provide a detailed monthly status report.

\* Court Costs and Other Litigation Fees are not included.

\*\* If a Lawsuit Is Answered Thus Not Resulting In A Default Judgment, The Litigation Will Be Billed At Our Collections Rate of \$200.00 Per Hour.

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THE HIGH COST OF ATTORNEY BASED COLLECTION SERVICES

1. All post judgment litigation will be billed at the rate of \$200.00 per hour (reduced from \$250.00 per hour). Such litigation includes wage and bank garnishments.
2. Any other type of collections litigation (i.e. foreclosure or bankruptcy representation) will be billed at the reduced hourly rate of \$200.00 per hour (reduced from \$250.00 per hour).

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Questions?



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