

# **WHY READING THE WHOLE INSURANCE POLICY IS SO IMPORTANT!**

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With all of the litigation going on in Nevada. More and more carriers have decided that they don't want to provide coverage in certain areas. If they have decided to stay in Nevada, they know that people get lazy and assume that once they have read a policy that they most likely won't read it again since that company's policy doesn't change. Totally wrong assumption.

Normally, Community Managers and Directors are taught that Exclusions take coverage away and Endorsements bring coverage in. Making that assumption in today's litigious environment would be a big mistake. I have seen policies now where Endorsements are taking coverage away. An example would be collections. Denial of coverage for any law suit regarding the collection of assessments might be in the endorsements as an exclusion.

Very scary, in Nevada, in the insurance industry. Please request that your broker or agent, detail any changes that are in the new policy and make them put it on their letterhead. Will they need to read the policy, Yes! Will they need to learn their own products, Yes! If they won't do it for you, you may have to threaten to change brokers or agents as you need to understand the coverages that you have or don't have. Knowingly not having some coverages can be handled by having a line item in the budget for self-insurance, but you need to know what that is to move forward.

It is unfortunate that we have gotten to this place with insurance, but you can't blame the companies for trying to protect their bottom line. You do need to protect the association's bottom line as well and reading that policy, asking questions and making smart decisions will help in doing so.