



Common Interest Community Board

Guidance Document: Evidence of Proper Fidelity Bond or Dishonesty Insurance and Sufficient Coverage Obtained by CIC Manager Applicant

Adopted March 2, 2010

As a condition for licensure, applicants for a Common Interest Community Manager license shall submit evidence of a blanket fidelity bond or employee dishonesty insurance policy that insures the Common Interest Community Manager against losses resulting from theft or dishonesty committed by the officers, directors, and persons employed by the Common Interest Community Manager. The bond or insurance policy shall also include coverage for losses of clients of the Common Interest Community Manager resulting from theft or dishonesty committed by the officers, directors, and persons employed by the Common Interest Community Manager.

The bond or insurance policy shall provide coverage in an amount equal to the lesser of \$2 million or the highest aggregate amount of the operating and reserve balances of all associations under the control of the Common Interest Community Manager during the prior fiscal year. The minimum coverage amount shall be \$10,000. The surety company or insurance company shall be authorized to do business in Virginia.

To fulfill the blanket fidelity bond or employee dishonesty insurance requirement, applicants for Common Interest Community Manager shall submit evidence that proper and sufficient coverage has been obtained to comply with § 54.1-2346(D) of the Code of Virginia. Such documentation must include:

- The name of the surety company or insurance carrier;
- The dollar amount of the bond or insurance policy;
- A description of coverage as it applies to the requirements of § 54.1-2346(D); and

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- The expiration date of the bond or insurance policy.

Staff may require a certified statement from the surety company or insurance carrier that the applicant has sufficient coverage to comply with § 54.1-2346(D) of the Code of Virginia.