



Ohio Revised Code Section 5311.16 Condominium insurance.

Effective: September 13, 2022

Legislation: Senate Bill 61

Unless otherwise provided by the declaration or bylaws, the board of directors shall maintain, with the cost to be a common expense, all of the following:

- (A) Liability insurance for all unit owners, their tenants, and all persons lawfully in possession or control of any part of the condominium property in an amount that it determines for personal injury or property damage arising from or relating to the common elements;
- (B) For the benefit of all unit owners, fire and extended coverage insurance on all buildings and structures of the condominium property in an amount not less than ninety per cent of the replacement cost;
- (C)(1) Blanket fidelity, crime, or dishonesty insurance coverage for any person who controls or disburses association funds. As used in division (C)(1) of this section, "person who controls or disburses association funds" means any individual with authority or access to sign checks, conduct electronic transfers, or otherwise withdraw funds from any association account or deposit, including the following:
 - (a) A management company's principals and employees;
 - (b) A bookkeeper;
 - (c) The president, secretary, treasurer, any other board member, or employee of the unit owners association.
- (2) All of the following apply to the insurance coverage required under division (C)(1) of this section:
 - (a) Coverage shall be for the maximum amount of funds that will be in the custody of the association



or its designated agent at any one time plus three months of operating expenses.

(b) The insurance shall be the property of and for the sole benefit of the association and shall protect against theft, embezzlement, misappropriation, or any other unauthorized taking or loss of association funds.

(c) The policy shall include in its definition of "employee" the manager and the managing agent of the association's funds or provide for this inclusion by an endorsement to the policy.

(d) The policy shall name the association as the insured party and shall include a provision requiring the issuer of the policy to provide a ten-day written notice to the association's president or manager in the event of cancellation or substantial modification of the policy. The manager or managing agent, if any, of the association shall be the designated agent on the policy.

(e) If there is a change in the manager or the managing agent of the association, then within ten days of the effective start date, the new manager or managing agent shall notify the insurer of such change.