

RECREATION CENTERS OF SUN CITY WEST, INC.  
POLICY STATEMENT – Fi 05  
**Insurance Policy**

**1.0 General:**

The Association Bylaws require that adequate property, business, and liability insurance is maintained by the Association, or bonds where necessary.

**2.0 Purpose:**

To establish and maintain Insurance in accordance with the Association Bylaws.

**3.0 Insurance Requirements and Determination of Reserve:**

3.1 Ensure that adequate property, business and liability Insurance is sufficient to recover the replacement cost of all property and equipment owned by the Association suffered in a loss.

3.2 Property and Casualty Insurance should cover all potential losses except for losses such as, but not limited to, wear and tear, rust, corrosion, fungus, decay, deterioration, spoilage, contamination, hidden or latent defect, insect, birds, rodents or other animals.

3.3 Ensure that the Association carries adequate general liability insurance to protect the corporation against the risks of third-party claims such as personal injury and other non-property claims.

3.4 Ensure that the Association carries adequate director and officer liability insurance to insure and defend the Association and current and former Governing Board Directors, Association Officers, Chartered Club Officers, Chartered Club Committee members and Governing Board Committee members and similar agents against claims and lawsuits (whether direct or through indemnification). Standard policies may require riders or supplements to cover all of such categories.

3.5. Ensure that the Association carries adequate employee dishonesty insurance or a type of fiduciary insurance and/or bonds (if needed for particular positions) to protect the Association with respect to the handling of Association funds by Governing Board Directors, Governing Board Committee members, Association Officers, or Association employees.

**4.0 Obtaining Insurance; Reporting to the Governing Board:**

4.1 The Chief Financial Officer (CFO) with the approval of the General Manager (GM) shall obtain the insurance required in 3.0.

4.2 The General Manager (GM) shall report annually to the Governing Board on the adequacy of the insurance coverage.