DIGEST

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Thibaut HB No. 227

Abstract: Requires condominium unit owners' associations to maintain a fidelity bond.

Proposed law requires any condominium unit owners' association collecting assessments for common expenses to obtain and maintain a blanket fidelity bond covering the officers, directors, and persons employed by the unit owners' association and any managing agent and employees of the managing agent.

Proposed law requires the bond to provide coverage in an amount equal to the lesser of $1,000,000 or the amount of reserve balances of the unit owners' association plus 1/4 of the aggregate annual assessment of the unit owners' association.

Proposed law provides that the minimum coverage amount shall be $10,000.

Proposed law provides that any unit owners' association whose managing agent maintains its own bond shall be in compliance with proposed law, provided that the managing agent's bond meets the requirements set forth in proposed law, and that the association is named as an additional insured under the managing agent's bond.

(Adds R.S. 9:1123.113)

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Commerce to the original bill.

1. Made a technical correction.