Thibaut (HB 227) **Act No. 84**

New 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.

New 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.

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

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

New law requires the unit owners' association or the managing agent to maintain proof of the bond on the premises of the condominium at all times.

New law requires the unit owners' association or the managing agent to make the proof of the fidelity bond available for inspection by a member of the condominium unit owners' association upon request of the member.

New law requires the unit owners' association or the managing agent to also provide every member of the unit owners' association with written or electronic notice of the fidelity bond as well as a statement notifying the member that the member has a right to inspect the proof of the bond.

Effective August 15, 2011.

(Adds R.S. 9:1123.113)