

Georgia Real Estate Laws
Rules and Regulations of the State of Georgia
Rule 520-1-.06 subsection 3

Fidelity Bond or Insurance Required for Community Association Management. Any broker who provides community association management services as defined in O.C.G.A. Section 43-40-1 and who collects, maintains, controls, has access to, or disburses community association funds shall be covered at all times under a fidelity bond or fidelity insurance policy that complies with the requirements of paragraph (a) below unless such broker at no time collects, maintains, controls, has access to, or disburses community association funds totaling more than \$60,000.00;

- (a) Any fidelity bond or fidelity insurance policy required by this rule shall:
1. be written by an insurance company authorized to write such bonds or policies in this state;
 2. cover the maximum amount of funds that the broker providing community association management services collects, maintains, controls, has access to, or disburses at any time the bond or insurance policy is in effect, provided that at no time shall coverage be less than an amount equal to the sum of three months assessments due from all the members of the association or associations managed by the broker plus the amount of reserve funds that the community association or associations require the broker to maintain;
 3. name the community association(s) as an additional named insured;
 4. cover the broker and all partners, officers, licensed affiliates, and employees of the broker and may cover other persons collecting, maintaining, controlling, having access to, or disbursing community association funds as well; and
 5. provide that the insurance company issuing the bond or policy may not cancel, substantially modify, or refuse to renew the bond or policy without giving thirty days prior written notice to the broker and to the community association; except that in the case of non-payment of premiums, no less than ten days prior written notice shall be given.
- (b) Each broker shall maintain a separate fidelity bond or fidelity insurance policy for each community association for which the broker provides community association management services and collects, maintains, controls, has access to, or disburses community association funds or such alternate fidelity coverage as is acceptable to the Commission.
- (c) Each broker shall maintain a copy of each fidelity bond or fidelity insurance policy along with a current certificate of each such bond or insurance policy showing current coverage and shall provide a copy thereof to the community association.