

**WARMINSTER HEIGHTS HOME  
OWNERSHIP ASSOCIATION, INC.**



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September 14, 2021

**POLICY ON MANDATORY INDEMNITY INSURANCE**

**PLEASE TAKE NOTICE** at its regularly scheduled meeting held on September 14, 2021, the Board of Directors of the Warminster Heights Home Ownership Association, Inc. ("Board") passed a motion mandating that each member procure a policy of liability insurance to protect the member's cooperative unit and the cooperative units to which it is attached against physical losses and damages caused by a member's negligence. This policy was adopted by the Board after consultation with its Insurance Broker and Solicitor.

*Therefore, enforcement of the requirement for indemnity insurance will become effective in sixty (60) days (from September 14, 2021) on November 14, 2021.*

Please refer to WHHOA Resolution #2021-01 (enclosed) for the particulars and requirements; including, paragraph 4., which addresses what happens if a member fails or refuses to procure liability insurance and deliver proof of insurance to the management office, as required by this Board policy.

Thank you for your attention and cooperation.

**ENCLOSURE**

**WARMINSTER HEIGHTS HOME OWNERSHIP ASSOCIATION, INC.**

**RESOLUTION #2021 - 01**

**ADOPTING POLICY MANDATING INDEMNITY INSURANCE**

**WHEREAS**, Warminster Heights Home Ownership Association, Inc. ("WHHOA") is a Pennsylvania not-for-profit corporation organized to provide safe and affordable cooperative housing;

**WHEREAS**, the WHHOA Board of Directors ("Board") is empowered by its by-laws, the Pennsylvania Nonprofit Corporation Law, 15 Pa.C.S.A. §5101 *et. seq.* and the Pennsylvania Real Estate Cooperative Act, 68 Pa.C.S.A. §4201 *et. seq.* to make rules, and adopt reasonable nondiscriminatory regulations, in furtherance of the Corporation's purposes and functions;

**WHEREAS**, the Warminster Heights' community is comprised of 698 member households residing in attached cooperative dwelling units;

**WHEREAS**, each member of the WHHOA owns a limited-equity interest in the cooperative represented by membership certificates issued to the member upon approval of their membership application;

**WHEREAS**, each membership certificate provides:

*Each member of the Warminster Heights Home Ownership Association, Inc. is subject to the rights, privileges and responsibilities as set forth in the Articles of Incorporation, By-Laws, Occupancy Agreements, and all other binding agreements, rules and regulations between member and the Warminster Heights Home Ownership Association, Inc.*

**WHEREAS**, the Occupancy Agreements entered into between the WHHOA and the individual members provide:

*The Corporation shall provide necessary Management, operation, and administration of the project; pay or provide for the payment of all taxes or assessments levied against the project; procure and pay or provide for the payment of fire insurance and extended coverage, and other insurance as required by any mortgage on the property in the project, and such other insurance as the Corporation may deem advisable on the property in the project. The Corporation will not, however, provide insurance on the Member's interest in the dwelling unit or on his/her personal property.*

**WHEREAS**, the Occupancy Agreements further require that each member is responsible to repair damages to the member's dwelling unit caused by or resulting from the member's negligence;

**WHEREAS**, Article V, Section 2 of the WHHOA By-Laws provides:

*The Board of Directors shall have all the powers and duties necessary for the administration of the Corporation and may do all such acts and things as are not by law or by these By-laws directed to be exercised and done by the members. The powers of the Board of Directors shall include but not be limited to . . . promulgat[ing] such rules and regulations pertaining to the use and occupancy of the premises as may be deemed proper which are consistent with these By-Laws and the Certificate of Incorporation.*

**WHEREAS**, WHHOA has incurred significant financial losses, including payment of insurance deductibles, to repair damages to individual cooperative units caused by the negligence of members with no indemnity insurance; and

**WHEREAS**, the Board, in consultation with its professionals, including its Insurance Broker and Solicitor, deems it necessary, advisable and lawful to mandate that each member procure a policy of liability insurance to protect the member's cooperative unit and the cooperative units to which it is attached against physical losses and damages caused by a member's negligence,

**NOW THEREFORE**, it is hereby **RESOLVED**:

1. The foregoing "Whereas Clauses" are not mere recitals, but are a part of this Resolution as if each of the Whereas Clauses was set forth here at length.
2. Within thirty (30) days of the effective date of this Resolution, each member of the WHHOA shall procure a policy of insurance from a reputable insurance company licensed by the Commonwealth of Pennsylvania, Department of Insurance with third-party liability limits of at least \$300,000.00 insuring the member, the member's cooperative unit and the attached cooperative units from and against physical losses and damages. The member may, but shall not be required to purchase a policy of insurance with liability limits greater than the minimum \$300,000 liability limits required by this Resolution and/or purchase other types of insurance, including coverage insuring the member's personal property from losses or damages. Each policy procured by a member must name WHHOA as an additional insured as building owner.
3. The member shall provide the WHHOA management office Proof of Insurance consistent with Paragraph Two (2) above not more than sixty (60) days after the effective date of this Resolution. Thereafter, the member shall provide management proof of liability insurance at least annually or sooner, upon management's written request by delivering a copy of the member's current policy or a certificate of insurance.
4. If a member fails or refuses to procure liability insurance and deliver proof of insurance to the management office as required by this Policy, the matter shall be referred by management to the Board of Directors. The Board of Directors, upon notice to the non-complying member, may take such actions as are necessary and appropriate under the circumstances, including procuring, at the member's expense, a policy of liability insurance in the name of the Association and assessing the cost of the insurance against the non-compliant

member as additional carrying charges payable by the member within sixty (60) days of the date WHHOA incurs the premium expense on the member's behalf.

5. The Managing Director or his designee is directed to post a copy of this Resolution to the Warminster Heights' webpage within five (5) days. Additionally, the Managing Director or his designee shall deliver a copy of this Resolution to each member-household and certify when delivery has been completed.

**BE IT SO RESOLVED**, this 14 day of September 2021, effective in sixty (60) days, by a majority vote of the Board of Directors.

ATTEST:

Warminster Heights Home Ownership Association, Inc.

  
Secretary

By:   
William Emsley, Chairman/President