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Insurance for Condo Owners

Condominium unit owners insurance is available to anyone who resides in a condominium unit where the association purchases group or blanket coverage on the structures on behalf of the owners. The unit owner must live in the unit to apply for this coverage.

You must be able to provide an agent working with you on your personal insurance with the information regarding 1) The condominium documents, and 2) The master insurance policy the association has taken out covering the structures. Both you and the agent need to know what the association covers (and its limits) and what it does not cover.

To help you with your own coverage, here are some of the areas you need to discuss with your agent:

- **Building Property Coverage**
 - This insures items of real property, including building additions and alterations, installations, or additions which are part of your unit and are your responsibility to insure. This is critical. Your association's policy may not cover items in your unit which have been upgraded or altered since the original construction. If you're not sure whether or not the wallpaper was added or changed, or if the kitchen cabinets are new, then be sure to confirm who is responsible for covering them.
- **Personal Property Coverage**
 - This coverage protects personal property in your home, like clothing and furniture. Make sure you inquire as to whether these items are covered on a depreciated basis or for the cost of replacing them.
- **Inflation Coverage**
 - This coverage automatically increases the amount of coverage on buildings and personal property based upon the movement of an inflation index.
- **Loss of Use**
 - This coverage provides payment for certain expenses you might incur if your condominium unit is damaged and you cannot reside in it.
- **Additional Living Expense**
 - This policy covers the actual loss incurred for necessary, increased expenses over and above what you would normally have spent for food, shelter and related items, for the

shortest time required to repair or replace your unit or for you to settle elsewhere for a certain period of time.

- **Loss Assessment Coverage**

- If the association has an insured loss and the amount of insurance does not fully cover it, you may be assessed your share of the difference. This protects you against that assessment.

- **Personal Liability Coverage**

- This coverage provides payment for your legal liability for financial damages that might result from someone being injured in your unit or from property damage. There are limits to what this policy will cover, so make sure you understand them. The policy may also provide payment for your defense against these claims or suits.

- **Medical Payments to Others Coverage**

- This coverage pays necessary medical expenses (up to its limits) for people who are on your premises, with your permission, and are accidentally injured. This coverage may extend to people who are accidentally injured by your personal activities. It does NOT pay for medical expenses for you or members of your family who live with you.

Keep in mind that this is a personal policy. If you conduct business from your home you need to make your agent aware of that. There may be riders for this policy (or a separate policy may be needed) to protect you for any business exposure.

If you decide to rent out your unit, notify your agent as there are different coverages that will be needed.

Should you decide to serve on the board of directors for your association, make sure that the association carries "Directors & Officers" liability insurance and that you understand exactly what is covered and what isn't.

One way to reduce your cost for this insurance is to consider taking a higher deductible. This is the amount that you pay before the insurance company would pay anything.

There are standard policies available, but they will not apply to every situation and every condominium association. The only way to make sure that you are adequately protected is to sit down with your agent and talk to them. Use this list as a basis to start