### Your Insurance Checklist

#### Personal Property Coverage:
- Estimated actual cash value: amount to apply within unit $ __________
- Or: Estimated replacement value $ __________
- Special limits (money, securities, jewelry, furs, silverware, guns, boats) $ __________
- Floater coverage (jewelry, furs, fine arts, silverware, cameras, sporting goods, etc.—“specialized”) $ __________
- Rental Coverage $ __________
- Theft Coverage Extension $ __________
- Flood $ __________
- Other $ __________

#### Additions and Alterations:
- Estimated replacement value: amount of coverage $ __________
- Broadened perils (“special” coverage) $ __________
- Additional Living Expense: $ __________

#### Other Property:
- Estimated actual cash value: amount of coverage $ __________

#### Personal Liability, Medical Payments:
- Personal Liability limit $ __________
- Medical payments limit $ __________
- Watercraft Liability $ __________
- Personal Umbrella Liability limit $ __________

#### Loss Assessment Coverage:
- Amount of coverage $ __________

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**Personal Property Coverage:**
- Items of property owned by the unit owner and kept within the unit.

**Loss Assessment Coverage:**
- Covers losses assessed against the unit owner due to damage to common areas.

**Additions and Alterations:**
- Covers additions or alterations made to the unit.

**Personal Liability, Medical Payments:**
- Personal liability protection.

**Other Property:**
- Items owned by the unit owner and kept away from the unit.

**Loss Assessment Coverage:**
- Coverage for losses due to damage to common areas.

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**Floater Coverage:**
- Covers valuable property that is kept away from the unit.

**Additional Living Expense:**
- Covers additional expenses incurred while the unit is being repaired.

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**Your Insurance Checklist**

- Estimated actual cash value: amount to apply within unit $ __________
- Estimated replacement value $ __________
- Special limits (money, securities, jewelry, furs, silverware, guns, boats) $ __________
- Floater coverage (jewelry, furs, fine arts, silverware, cameras, sporting goods, etc.—“specialized”) $ __________
- Rental Coverage $ __________
- Theft Coverage Extension $ __________
- Flood $ __________
- Other $ __________

- Estimated replacement value: amount of coverage $ __________
- Broadened perils (“special” coverage) $ __________
- Additional Living Expense: $ __________

- Estimated actual cash value: amount of coverage $ __________

- Personal Liability limit $ __________
- Medical payments limit $ __________
- Watercraft Liability $ __________
- Personal Umbrella Liability limit $ __________

- Amount of coverage $ __________
the unit owner. Thus it is critical that owners read the bylaws to see how losses are allocated after a property loss.

The unit owner should know the cost of building items and the additions and alterations made at personal expense. Establishing an amount of insurance adequate for a serious or total loss to the additions and alterations is important because quality and quantity varies so greatly among unit owners. While there is no "magic number" for an adequate amount of insurance, suffice it to say that limits in the tens of thousands of dollars have been inadequate after a major loss. It is not uncommon to find limits well above $100,000 on some policies, and for condominium units in upscale association, it's not uncommon to find coverage limits greater than $1 million. Only the unit owner knows what an adequate limit is. Building items as well as additions and alterations are normally valued on a replacement cost basis, not a depreciated value; so, it is critical that this fact be brought into consideration when selecting a proper limit.

The limit on additions and alterations may be increased to any desired amount (subject to insurance company underwriting) and the perils may be broadened from "named peril" to "special coverage" (subject to certain exclusions). With so many items specifically eliminated from coverage under the condominium association policy, special consideration should be given to these coverage improvements.

VI. Loss Assessment Coverage

If the condominium association suffers a loss or claim not insured by the association, the unit owners may be assessed for the necessary funds. This again makes it incumbent on all unit owners to be aware of and satisfied with the association's insurance.

Unit owners may, however, take steps to avoid or reduce the financial consequences of assessment losses by purchasing additional "Loss Assessment Coverage" as an option under their own condominium unit owners' policy. This coverage reimburses unit owners for assessments from the association arising from (1) losses to the association property, if covered by the policy insured against under their own unit owners' policy; (2) liability losses covered under their own unit owners' policy; and (3) directors and officers claims arising from acts of elected directors, officers, or trustees serving without income. While $2,000 of property loss assessment is mandated by statute and $1,000 of liability loss assessment is typically included in most policies, that amount is seldom adequate and should be increased if available from the insurer.

Examples of the need for this coverage include assessments for (1) a large liability claim exceeding the limit of the association's coverage; (2) loss to the association's property by a peril not insured against in the association's policy but covered by the unit owners policy; (3) a property loss wherein the association's amount of insurance was inadequate; or (4) a property loss wherein the association's insurance did not respond because of a high deductible. In the case of an assessment to the unit owner as a result of the association's deductible, no more than $2,000 will be paid under each unit owners policy even if an increased amount of Loss Assessment Coverage is selected. Some companies, however, will pay more than $2,000 for an assessment due to a deductible, depending on policy wording.

III. Other Property

If the condominium unit owner personally owns a separate, detached structure on the association premises (such as a carport, storage building, or cabana), it may be covered under the unit owners policy for the same perils that apply to additions and alterations (as long as the structure is not rented to others nor used for business purposes). Increased coverage for these other structures is typically available.

IV. Loss of Use

The condominium unit owners policy covers the additional costs of living expenses incurred when the unit is unfit to live in due to damage to the unit caused by a peril insured against. The limit on this coverage, which is automatically included, is 25% of the limit selected to cover personal property. With some insurers, this limit may be increased.

When the unit owner purchases the option to broaden coverage for rental of the unit to others, as described under "Coverage on Personal Property," that option also provides for application of the Fair Rental Value coverage to loss of rents that would have been realized during the period of time the unit was unfit to live in.

V. Personal Liability and Medical Payments

The condominium unit owners policy includes protection against claims for bodily injuries and damage to property of others arising from within the unit, or personal activities away from the unit. In addition, and without regard to whether or not the unit owner is legally liable, the policy pays for medical bills incurred by others who do not reside in the unit and are accidentally injured in the unit or arising from personal activities of the unit owner.

This option does not cover assessments from every cause. For example, if the association were to assess unit owners as a result of flood damage, Loss Assessment Coverage would not cover such a loss because the condominium unit owners policy does not cover flood losses. A flood policy is available to cover such an assessment. Likewise, assessments for routine items such as normal roof replacement, repaving the parking lot, and routine painting are not covered by this coverage. Statutes dictate that a deductible of no more than $250 will be applied to covered losses.

If this increased Loss Assessment Coverage is desired, determining the appropriate amount of coverage is difficult. While this decision must be made by the unit owner, and should be based on knowledge of and the degree of satisfaction with the insurance carried by the association, this agency will gladly provide counsel and advice.

VI. Rental of Unit to Others

Special policy provisions should be made whenever your unit is rented to others, whether for a short-term or a long-term basis. A separate insurance contract may be necessary if the unit has been purchased for investment purposes and is rented to others continuously. Failing to properly structure the unit owners policy for the rental of a unit could result in significant coverage gaps.

VII. Flood Insurance

Losses due to flood damage are not covered by the standard unit owners policy. Coverage for both building damage and damage to personal property is normally available from this agency through the National Flood Insurance Program. We urge all unit owners to consider purchasing flood insurance.

The basic limit for liability is $100,000 and the basic limit for the medical payments coverage is $1,000. Many insurers offer increased limits. While not available under the homeowners policy, many people buy a separate "personal umbrella policy" to provide protection against a catastrophic judgment. For example, a liability limit of $3,000,000 might be selected for the condominium unit owners policy with a personal umbrella policy increasing this protection by $1,000,000 or more.

If any business activities are conducted in the unit, or if the unit is rented to others, your agent should be fully informed to assure proper protection under the policy.

One of the more important limitations of the liability and medical payments coverage relates to watercraft. Limited coverage is provided for the use of some watercraft. In order to assure proper coverage, unit owners should discuss coverages with their agent on watercraft they own, rent, or borrow.

Another area of concern is golf carts owned or used by the unit owner. Whether owned, rented, or borrowed by the unit owner, coverage under the unit owners policy is limited. Options should be discussed with the agent. The same recommendation applies to other recreational vehicles such as four-wheelers, go-carts, and Segways. Coverage for any type of motorized land conveyance should be discussed with the agent.

Unit owners are advised to be aware of and satisfied with the liability insurance carried by the condominium association. Be sure that (1) the association carries an adequate limit, and (2) the association policy provides that unit owners are individually protected in the event of a claim directly against the association.

IX. Association as Additional Named Insured

In 2008, the Legislature amended the statute to require that the unit owners policy provide "additional named insured" status to the condominium association. The Legislature removed this requirement effective 7/1/2010.

X. Mandatory Unit Owners Insurance

In 2008, the legislature amended the statute to state that the condominium association "shall require" unit owners to obtain a policy of their own. This requirement was repealed effective 7/1/2010. The association can, however, still require unit owners to obtain insurance by including such wording in the condominium bylaws and documents. The board, in consultation with an attorney, makes such a decision.

Other Forms of Insurance

Other kinds of coverage not unique to condominium unit owners, such as automobile, life, and health insurance, may be appropriate.

As an independent insurance agency, we will be happy to consult and advise on all forms of coverage.