

# THE ASSOCIATION ADVISOR™

Southwest Florida



Established 1988

INSURANCE AND RISK MANAGEMENT SERVICES, INC.

## Owner Loss Assessment Coverage May Help Home and Condo Owners Pay for Association Damage

Since 2010 Florida Statutes have required condominium unit owner insurance policies to include \$2,000 of property loss assessment coverage. Today, most homeowners *and* condominium unit owners have some coverage for assessments levied by associations to pay for damage to common property.

*Loss assessment coverage can help owners pay for assessments levied by associations to repair damages to common property.*

The wording in the statute is not precise, allowing insurance companies to include terms and conditions that may place limits on the amount a unit owner can recover. Typical policy terms include the following.

- Coverage will only apply if the association damage (i.e., hurricane damage to a building) is of a type covered under the owner's property insurance policy. Assessments related to landscaping damage, for example, may not be covered.
- The policy limit is the most an insurer will pay for all loss assessments related to one storm. So, the policy will pay one limit even if assessments are levied by both a master association and a sub-association.
- Coverage may be subject to a deductible.
- The full \$2,000 *may not be available* if an assessment results from a high hurricane deductible in an association property policy.



*Home and condo owners should review their insurance policies and consult with their agents about loss assessment coverage.*

IRMS delivers comprehensive, professional and cost-effective association insurance programs, as well as value-added services that benefit your management team, directors and unit owners.

Thank you for doing business with IRMS!



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## **Owner Loss Assessment Coverage**

**Insurance Policies May Help Owners Pay for Association Assessments**



**Insurance and Risk Management Services, Inc.**