

CONDO LIVING ... UNIT OWNER INSURANCE

Condominium unit owner insurance—what you need to know

Insurance for condominium common property is the responsibility of the condominium corporation. It is paid for by all the owners as part of their monthly fees.

The condominium corporation's insurance does not cover your personal property. Unit owners and tenants must discuss their unique requirements with their agent or broker and purchase a policy that protects them.

Condominium insurance is similar in many ways to insurance for a single family home. However, in a condo each member owns their individual unit as well as a share of the common property. A condominium insurance professional will review the applicable documents and discuss options with you.

You need to have insurance; we hope you never have to use it.

Personal Property

Personal property is the responsibility of the unit owner. This includes all contents such as appliances, furniture, decorations, clothing and vehicles. If the per-

sonal property is damaged, the owner's insurance responds regardless of how the damage occurred.

Liability

The condominium corporation insures for liability related to the common property. Individual owners must insure for personal liability.

Improvements and Betterments

Upgrades and renovations to condominium units are called "improvements and betterments." The bylaws of the corporation will usually say if these are the responsibility of the owner or the corporation. Check the wording of your bylaws carefully and insure accordingly.

Alternate Living Arrangements

It is important to plan for alternate living arrangements should a catastrophe occur that makes the home uninhabitable for a period of time. You do not want to have to pay your mortgage and at the same time pay to live in a hotel or rent another home. Condominium corporation insurance does not cover owners or tenants if they need to move while the unit is repaired.

Deductibles

Condominium corporation deductibles can be high, sometimes

\$50,000 or more. Usually they are less than that, but they can still be thousands of dollars. Ask your insurance representative if you have coverage if a deductible is assessed to your unit.



Renting

If a unit is rented, the owner's insurance requirements are different than if it is owner-occupied. The landlord should insure for loss of income in case a fire, water damage or some other event forces the tenant to move out.

Selecting the right insurance coverage is important, especially if an unfortunate circumstance occurs. Your insurance agent/broker will determine what coverage applies to your situation and provide the coverage you need. You need to have it – we hope you never have to use it.

