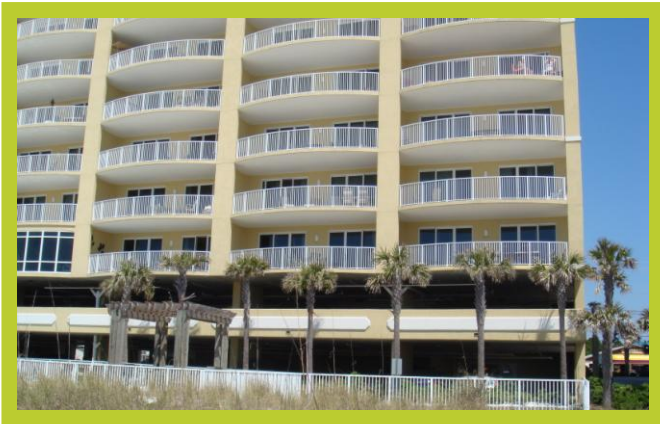


# Condominium Association Insurance Buyers Guide

## Condominium Association Coverage

This summary is to provide information to help Florida Condo Associations understand their financial responsibility when buying Condominium Insurance. Florida has three important property coverages condominium associations may purchase to protect their interests Fire, Wind/ Hurricane and Flood. Liability coverage is available to address claims filed as result of accidental injuries to others and unintended property damage for which the association may become legally responsible. Other coverages include hired and non owned auto, Crime/Fidelity Bond, Directors and Officers Coverage, Umbrella and Workers Compensation if Association has employees. A detailed discussion will be included in this buyers guide.



Florida Coastline is covered with Real Property that needs to be protected for the perils of Flood, Fire & Wind/ Hurricane



30% of Flood Losses last year Occurred in Non Flood designated areas (X Flood Zone)

Call (850) 769 2225 or Click for Free Quote  
[www.flacondoinsurance.com](http://www.flacondoinsurance.com)

## Flood Risk

Floods are one of the most catastrophic property loss hazards in the United States. The building doesn't have to be in a designated flood zone to experience a loss due to rising water or wave wash. Thirty Percent of the Flood Losses that occurred last year were in a non designated flood area (X Zone). Flood loss insured Damages in 2004 and 2005 Hurricane Seasons totaled nearly \$20 Billion dollars. Florida is surrounded by water and flood insurance premiums are extremely affordable. Condominium Associations are responsible for insuring the entire building for the peril of Flood. It is important to know that the limit National Federal Insurance Program (NFIP) will pay in the event of a building loss is \$250,000 per unit which includes the association and individual unit owner's policies. Additional Flood coverage is available in the private insurance marketplace if higher limits are needed. Flood Coverage should be purchased based on a property appraisal and the appraisal should delineate flood vs. hazard insurable values. The Flood Insurance premium is determined by the dollar amount of coverage needed, the designated flood zone, and the deductible selected.

Blackwell Insurance  
205 West 7<sup>th</sup> Street  
Panama City, FL 32401  
[www.flacondoinsurance.com](http://www.flacondoinsurance.com)

E: [info@blackwellinsurance.net](mailto:info@blackwellinsurance.net)  
P: 850 769 2225  
F: 850 785 4942

# Condominium Association Insurance Buyers Guide

The Condo Associations Property Policy can be written with or without the peril of wind. Flood is always a separate policy.

Florida Statue 718 defines the building insurance responsibility of the Condominium vs. the Condominium Unit owner. Approximately 70% of the condominiums building value is the responsibility of the condominium association and about 30% is the unit owner's responsibility. The Hazard values (Fire & Wind) that the individual unit owners are responsible for include:

- Floor Coverings – carpet, tile, vinyl, wood in the individual unit
- Ceiling Finishes - paint, sprayed finishes within the individual unit
- Wall Finishes – paint, wallpaper, or ceramic tile within the individual unit
- Electrical Fixtures – appliance refrigerator, stove, dishwasher water heaters, bathroom fixtures
- Built In Cabinets

All other building elements not outlined above are the insurance responsibility of the Association for the hazard perils (fire and wind). Associations want to make sure they have purchased a Special Perils (ALL RISK) policy based on a recent building appraisal and that the appraisal differentiates the value of Flood verses Hazard perils from the insurance responsibility of the association. It is important that the association understands how the property loss deductibles apply when purchasing coverage. Deductibles may apply per storm or per calendar year.



## General Liability

Anyone may be sued anytime, anyplace, regardless of fault and General Liability Coverage is available to protect and indemnify the association at the time of a claim or suit from a third party. Policies are usually written with limits of \$1,000,000 per occurrence and \$2,000,000 General Aggregate. There are several additional coverages included in the General Liability policy. Below we have outlined some real life Condo Association claims examples:

### Claim Examples:

Condo Association – Elderly woman tripped and fell due to poor maintenance of the sidewalk and fractured upper arm – GL/BI paid \$56,680

Condo Association – An elevator in Condo's Building fell four floors injuring passengers – GL/BI paid \$2,525,000 (\$1,000,000 was paid on the General Liability policy and \$1,525,000 was paid by the Condo Association's Excess Liability policy).

**BLACKWELL INSURANCE**

**850 769 2225**

# Condominium Association Insurance Buyers Guide

## Hired and Non Owned Auto

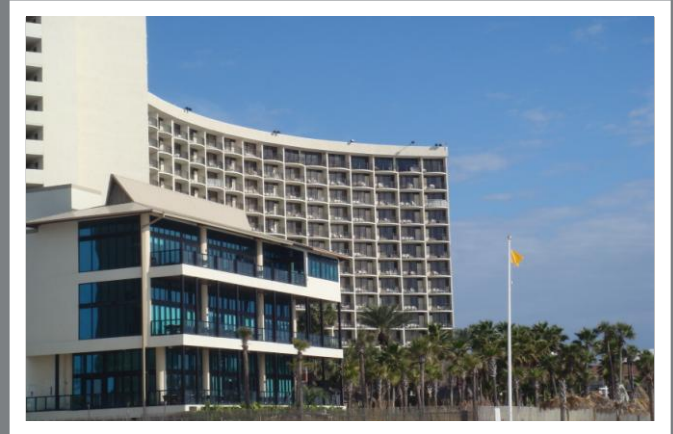
This coverage is usually added to the Association's General Liability policy and covers liability for the use of rented or loaned automobiles used by your association. Coverage applies if an employee using his/her own car on an errand for you is in an accident which results in damage exceeding their personal auto limit.

## Excess Liability or Umbrella Coverage

Umbrella Liability or Excess Liability can provide additional coverage when the limits of insurance on an underlying policy are exceeded. For example, if you have \$1,000,000 coverage under General Liability and you have a claim settlement for \$1,500,000, the umbrella policy would cover the additional amount. Umbrella Liability or Excess Liability policies can provide coverage over General Liability, Hired and Non-owned Auto Liability, Condominium D & O and Employer's Liability. Limits can be written from \$1,000,000 to \$100,000,000 (and up) depending on the association's needs.

## Fidelity Bond/ Employee Dishonesty

Employee dishonesty insurance, also known as a fidelity bond, indemnifies the community association for the loss of money, securities or any property because of acts of fraud, dishonesty, forgery, theft, larceny, embezzlement, wrongful abstraction, willful misapplication, misappropriation or any criminal act on the part of directors, officers, committee members, association employees, board members and volunteers. Coverage may protect the association against criminal acts by an independent managing agent.



## Claims Information

There are a few things outlined below that can be done before and after a loss that are very helpful to the property claims adjuster in a claims process.

### Prior to a Loss

Take Photos of the Property

Have a current Appraisal Completed and available for Claims Representative

### After a Loss

Do what needs to be done to Stop and mitigate Damage

Save all receipts During Temporary Repair  
Take Photos

Report Claim to your Independent Insurance Agent who will manage your expectations on claims procedure and be your claims advocate throughout the claims process.

**If anyone is injured on your property call your insurance agent immediately.**

[WWW.FLACONDOINSURANCE.COM](http://WWW.FLACONDOINSURANCE.COM)

# Condominium Association Insurance Buyers Guide

## Directors and Officers Insurance

Director's and officer's liability insurance (D&O) is necessary when mismanagement of funds by the condo board results in money loss to the association. Typical claims are from misuse of association funds.

## Workers' Compensation Insurance

Workers' compensation insurance provides coverage required by state law for injuries to association employees and volunteers that occur on the job. Workers' compensation laws incorporate four types of benefits: disability (loss of income), medical benefits, survivor (death) benefits and rehabilitation benefits. Worker Compensation is available to Condo Associations on an "if any" basis with no employees for a minimum premium. If an association has 4 employees Florida Law requires a Workers Compensation policy.

## Summary

Blackwell Insurance has been insuring Condominium Associations in Florida since 1972 and welcomes the opportunity to serve your association.

## **Blackwell Insurance Serving Condominium Associations in Florida Since 1972**

Blackwell Insurance  
205 West 7th Street  
Panama City, FL 32401

(850) 769 2225 Phone  
(850) 785 4942 Fax

info@blackwellinsurance.net  
www.flacondoinsurance.com