

protection for boats is not included, coverage may, as an option, be extended to provide the necessary protection.

Those who own a golf cart should consult with their insurance agent for an explanation of coverages and available options to enhance the basic coverage. Coverage is extremely limited under the policy and in almost all cases endorsements or separate policies are required to properly cover golf cart physical damage, as well as liability protection.

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

6. Loss Assessment Coverage

If the condominium association suffers a loss or claim which is not insured by the association, then, of course, the unit owners may be assessed for the necessary funds which must be raised. This again makes it incumbent on all unit owners to be aware of and satisfied with the insurance program of their association.

Unit owners may take steps to avoid assessment losses by purchasing "Loss Assessment Coverage" as an option under their own condominium unit owners policies. While \$1,000 is usually included in most policies, that amount is seldom adequate and should be increased. This coverage reimburses unit owners for assessments arising from (1) property losses, if covered by a peril 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.

Examples of the need for this coverage include (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; and (4) a property loss wherein the association's insurance did not respond because of a high deductible. In the case of a Loss Assessment payment as a result of the association's deductible, no more than \$1,000 will be paid under the unit owners policy unless you purchase more.

It is emphasized that 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, any assessment for such a loss is not covered by Loss Assessment Coverage, because the condominium unit owners policy also does not cover flood or rising waters. Additionally, routine maintenance items such as assessments to replace a worn roof are not covered.

If this optional coverage is desired, it is often difficult to make a decision on the appropriate amount of coverage to be purchased. 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.

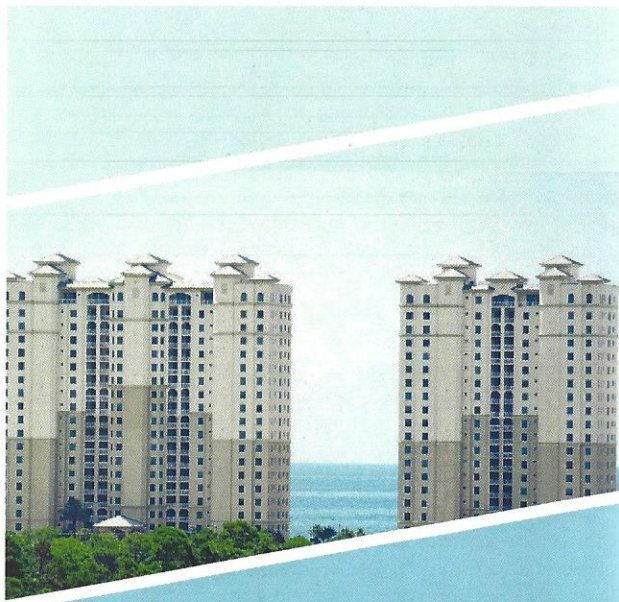
7. Rental of Unit to Others

Special policy provisions should be made whenever your unit is rented to others, whether it be on 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. Please note some of the rental limitations referred to under: 1. Coverage on Personal Property, 3. Other Property, 4. Loss of Use, and 5. Personal Liability and Medical Payments.

Other Forms of Insurance

The foregoing information briefly describes the condominium unit owners policy and principal options, which is the sole purpose of this booklet. Other kinds of coverage not unique to condominium unit owners' needs, 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.



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Insurance Checklist

PERSONAL PROPERTY COVERAGE

- Estimated actual cash value: amount to apply within unit \$ _____
OR Estimated replacement value:
amount to apply within unit \$ _____
- Special limits (money, securities, jewelry, furs, silverware, guns, boats): _____
- Floater coverage (jewelry, furs, fine arts, silverware, cameras, sporting goods, etc. - itemized): _____
- Rental Coverage
- Flood
- Other: _____

ADDITIONS AND ALTERATIONS

- Estimated replacement value: amount of coverage \$ _____
- Broadened perils ("special" coverages)
- Flood

ADDITIONAL LIVING EXPENSE

- Amount of coverage \$ _____

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 \$ _____

Insuring the Condominium

An Insurance Guide for Florida Condominium Unit Owners



Presented by:

Eddie Zarahn Insurance Agency

229 Beverly Parkway
Pensacola, FL 32505
Phone: (850) 438-9169
Fax: (850) 208-2008
Fax: (850) 469-4567

