GETTING TO KNOW YOUR CONDOMINIUM INSURANCE

A Guide to Master Policy & Unit Owner Coverage

MASTER INSURANCE POLICY COVERAGE

PROPERTY INSURANCE – Provides protection for the unit as it was originally delivered by the developer, covering risks such as fire, water damage, lightning, and wind. Foundation coverage is excluded. Any upgrades, improvements, or additions made after the original purchase are the responsibility of the individual unit owner and should be insured under their personal policy.

LIABILITY INSURANCE – Protects the Association when individuals incur bodily injury or damage to property of others in the common areas of the property.

CRIME INSURANCE – Protects assets of the Association from theft.

DIRECTORS & OFFICERS INSURANCE – Provides coverage for claims alleging negligence, errors, or omissions by current or former directors and officers of the Association in the performance of their duties.

UMBRELLA LIABILITY – Expands the coverage limits of your general liability, directors and officers liability, and workers' compensation policies, offering additional financial protection beyond the standard policy limits.

FLOOD – Provides protection for the entire unit, as originally delivered by the developer, against flood damage—including coverage for the foundation.

UNIT OWNER RESPONSIBILITY

Speak to your insurance agent to secure coverage for your individual needs.

Disclaimer: Insurance policies can vary significantly between providers. The information presented here is intended as a general overview. To ensure you have the appropriate types and levels of coverage, it is strongly recommended that each homeowner consult with their personal insurance agent.

BUILDING COVERAGE – Covers any upgrades, additions, or alterations made to your unit after the original purchase. This includes improvements made by previous owners, which must still be insured under your individual unit owner's policy. Examples include stainless steel appliances, granite counter tops, upgraded tile, or hardwood flooring.

CONTENTS COVERAGE – Protects your personal belongings, including furniture, electronics, décor, and other valuables within your unit.

LIABILITY COVERAGE – The master insurance policy includes liability protection for the Association and its members in the event of a claim arising from common areas. However, you are still responsible for maintaining personal liability coverage to protect against incidents that occur within or originate from your individual unit.

FLOOD – Protects the contents of your unit from the peril of flood.

LOSS ASSESSMENT – Provides financial protection if the Association imposes a special assessment on unit owners to cover a loss that exceeds the limits of the master insurance policy.

LOSS OF USE OR RENTAL INCOME – If your unit is uninhabitable due to a covered loss, this coverage will cover the expense to rent another unit of like kind and quality. If you are renting your own unit, this coverage will indemnify you for the lost rental income until the unit can be rented again.

MASTER INSURANCE POLICY DEDUCTIBLE RESPONSIBILITY – If damage originates in your unit, the Association may seek reimbursement from you for the master policy deductible. This expense can typically be covered under your HO-6 policy.

For the 2025/2026 policy year, the deductible is $10,000 per occurrence for all covered perils. This will be increasing to $25,000 on 10/1/2027.

Recommendation: Original homeowners are encouraged to maintain a detailed list or photographic record of how their unit was delivered by the builder. This documentation can help accurately determine coverage responsibilities between the homeowner's HO-6 policy and the Condominium Association's master policy in the event of a loss. Additionally, homeowners should document any structural improvements, upgrades, or additions and share this information with future buyers and, ideally, with the Condominium Association for reference and continuity.

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