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## Hurricane Ian Information for Condominium Associations

### Hurricane Insurance and the Florida Condominium Act

The Florida Condominium Act governs what COA insurance must include. In short, common elements such as the exterior walls of the building, roof, elevator, etc. are covered under the Association's coverage. The interior of the units themselves (with some exceptions) are the responsibility of the condominium owner.

The Condominium Act provides in part that every condominium property insurance policy issued must provide primary coverage for:

1. All portions of the condominium property as originally installed or replacement of like kind and quality, in accordance with the original plans and specifications.
2. All alterations or additions made to the condominium property or association property pursuant to s. 718.113(2).
3. The coverage must **exclude** all personal property within the unit or limited common elements, and floor, wall, and ceiling coverings, electrical fixtures, appliances, water heaters, water filters, built-in cabinets and countertops, and window treatments, including curtains, drapes, blinds, hardware, and similar window treatment components, or replacements of any of the foregoing which are located within the boundaries of the unit and serve only such unit. Such property and any insurance thereupon is the responsibility of the unit owner.

(g) A condominium unit owner policy must conform to the requirements of s. 627.714.

1. All reconstruction work after a property loss must be undertaken by the association except as otherwise authorized in this section. A unit owner may undertake reconstruction work on portions of the unit with the prior written consent of the board of administration. However, such work may be conditioned upon the approval of the repair methods, the qualifications of the proposed contractor, or the contract that is used for that purpose. A unit owner must obtain all required governmental permits and approvals before commencing reconstruction.

2. Unit owners are responsible for the cost of reconstruction of any portions of the condominium property for which the unit owner is required to carry property insurance, or for which the unit owner is responsible under paragraph (j), and the cost of any such reconstruction work undertaken by the association is chargeable to the unit owner and enforceable as an assessment and may be collected in the manner provided for the collection of assessments pursuant to s. 718.116.

3. A multicondominium association may elect, by a majority vote of the collective members of the condominiums operated by the association, to operate the condominiums as a single condominium for purposes of insurance matters, including, but not limited to, the purchase of the property insurance required by this section and the apportionment of deductibles and damages in excess of coverage. The election to aggregate the treatment of insurance premiums, deductibles, and excess damages constitutes an amendment to the declaration of all condominiums operated by the association, and the costs of insurance must be stated in the association budget. The amendments must be recorded as required by s. 718.110.

Thus items such as flooring, kitchen cabinets, paint, wallpaper, light fixtures are **not** covered under the association's policy.

### **What is covered under the Associations Flood Policy**

Flood policies are very different than wind policies. They provide more coverage for the interior of the unit.

The Association's flood policy provides the following coverage for flood damage in units:

a. Awnings and canopies; b. Blinds; c. Carpet permanently installed over unfinished flooring; d. Central air conditioners; e. Elevator equipment; f. Fire extinguishing apparatus; g. Fire sprinkler systems; h. Walk-in freezers; i. Furnaces; j. Light fixtures; k. Outdoor antennas and aerials fastened to buildings; l. Permanently installed cupboards, bookcases, paneling, and wallpaper; m. Pumps and machinery for operating pumps; n. Ventilating equipment; o. Wall mirrors, permanently installed; and p. In the units within the building, installed: Built-in dishwashers; Built-in microwave ovens; Garbage disposal units; Hot water heaters, including solar water heaters; Kitchen cabinets; Plumbing fixtures; Radiators; Ranges; Refrigerators; and Stoves.

The Association's policy **does not** cover the contents (furniture, bedding, clothing, etc.) of individual unit owners. Damage caused by moisture, mildew, or mold that could have been avoided by the property owner is not covered under Flood policy.

### **What is a Special or Loss Assessment?**

A loss assessment provides the association with funds that are necessary after Hurricane Ian. These funds may cover a variety of items from the insurance deductible to items that are not covered under a policy (such as landscaping).

Florida Statutes Sec. 627.714 of the Florida Statutes provides that every condominium unit owner's insurance policy, commonly referred to as the "HO-6" policy "must include at least \$2,000 in property loss assessment coverage for all assessments made as a result of the same direct loss to the property, regardless of the number of assessments, owned by all members of the association collectively if such loss is of the type of loss covered by the unit owner's residential property insurance policy, to which a deductible of no more than \$250 per direct property loss applies. If a deductible was or will be applied to other property loss sustained by the unit owner resulting from the same direct loss to the property, no deductible applies to the loss assessment coverage."