

Insuring a Condo or Co-op?

Making sure that your condo or co-op is properly covered begins with a thorough reading of your condo or co-op documents (i.e., by-laws, provisions, regulations, etc.) It may help to have your agent review the papers, paying close attention to items such as:

What property is your responsibility to insure - the internal walls, appliances, your detached garage? What is the potential for loss assessments? Does the association or corporation insure common property at its replacement value? What is the association's deductible? Are you obligated to add any extra coverages or limits?

Next, be aware that your coverage typically comes in two forms. "Named causes of loss coverage" only covers the causes of loss specified. You must prove to the company that a covered cause damaged your property. "Risks of physical loss" covers all causes of loss except those that are excluded. The company must prove an ineligible cause of loss damaged your property. Risks of physical loss coverage usually applies to real property and named causes of loss coverage protects personal property. The former type costs more due to such policies typically covering a wider range of losses.

Regardless of the coverage type, condo/co-op policies generally cover the following:

Real property: coverage for the structural part of the condominium or co-op you individually own such as interior walls, appliances, fixtures, plumbing, ductwork, wiring, carpeting, flooring, possibly private garages, and permanent improvements you make to the property.

Personal property: possessions that are portable such as clothing, furniture, toys, books, objects of art, home electronics, computers, etc.

Loss assessment: required contributions that members make for the repair or replacement of property that's owned in common.

Additional living expense: covers the additional cost of temporary housing, food and other increased costs of living when you are forced from your condominium or co-op by a fire or other covered cause of loss.

Liability coverages: covers you for your negligence in injuring other people or property on your premises (those accidents for which the condo association is not responsible) or through actions related to many of your hobbies. The policy also provides defense coverage, including hiring and paying for a lawyer (if necessary) and paying most court costs.

Medical payments: coverage is for minor injuries to people other than residents of the household and the payment does not require a lawsuit.

Keep in touch with an insurance professional during such trying times. They're already committed to providing genuine help.