

January 29, 2019

Re: Insurance Coverage

The Board of Directors has recently completed the renewal process for our insurance package with our agent, All Lines Insurance Group. As a result of this process, there are three points that we would like to review concerning your individual unit owner insurance: who insures what, loss assessments, and the 14-day rule

- Who Insures What--The schedule labelled Hazard Insurance Responsibilities details the coverage that our master policy offers versus the unit owner responsibility for all perils. This page will assist your personal agent in providing your unit owner policy coverage, known as an HO-6 policy. Please note that the insurance coverage for the air conditioning unit shown as an Association responsibility is only in the case of an insurable event-normal repairs or wear are the unit owner's responsibility.
- Loss Assessments--In our master policy we have a hurricane deductible of 2% of the building value (roughly, \$224,000). If we are hit by a hurricane, owners will receive a loss assessment based on their ownership percent to pay for the deductible. In an HO-6 policy, there is a minimum of \$2,000 to help offset this assessment. Some carriers may offer a higher limit, at a very small cost.
- The 14 Day Rule--The schedule labelled Water Damage is a memo from our agent that details the "14 Day Rule". The main point of this memo is, if you are leaving your unit for an extended period, your unit needs to be checked every 14 days or some parts of your individual insurance may be voided in the event of a claim for items such as water leakage or mold.

Harbour Hill's master insurance policy mandates that we check unoccupied units every 14 days or the Association may have parts of its policy voided in the event of water or mold damage. Our Association rules say that we will enter known unoccupied units for the purpose of inspection, so it behooves you to make the Association aware that you are away. Alternatively, you can have a friend do the inspection and provide us with a log, or the service can be purchased from an outside firm.

A form to be used to notify the superintendent if you will be away for more than 14 days is available on the website and in the library.



1345 S Missouri Avenue
Clearwater, FL 33756
727-446-5721

HAZARD INSURANCE RESPONSIBILITIES AS GOVERNED BY FLORIDA STATUTE 718	Condominium Association Responsibility	Individual Unit Owner Responsibility
ROOF AND ROOF COVER <i>Structural Framing and Roof Cover</i>	✓	
EXTERIOR WALLS <i>Paint, stucco, insulation, studs, Concrete Block, Brick, etc.</i>	✓	
UNIT INTERIOR WALLS <i>Party Walls, Unfinished Drywall, Insulation, Metal & Wood Studs</i>	✓	
COMMON AREA Interior Walls <i>Studs, Block & Drywall</i>	✓	
COMMON AREA <i>Floor, Wall & Ceiling Finishes</i>	✓	
UNIT INTERIOR <i>Floor, Wall & Ceiling Finishes, Paint Carpet, Tile, etc.</i>		✓
UNIT AND COMMON AREA <i>Structural Floors, Structural Ceilings, Structural Walls</i>	✓	
COMMON AREA Air Conditioners	✓	
COMMON AREA Electrical	✓	
INTERIOR UNIT COMPONENTS		
<i>Appliances</i>		✓
<i>Electrical Fixtures</i>		✓
<i>Air Conditioners</i>	✓	
<i>Water Heaters</i>		✓
<i>Cabinets</i>		✓

Where a covered loss to association property occurs, the association is responsible for the repair as a common expense per the above guidelines. If a loss occurs that is not an insurable event, the responsibility for the repair is as set forth in the declaration of condominium or the bylaws.

WATER DAMAGE & THE 14-DAY RULE

The most common property insurance claim in community associations is also the most preventable. By taking simple steps before leaving your home for an extended period of time, you can limit your exposure to water damage and reduce the exposure to your neighbors and Association common area.

- Step 1:** Turn off the master water shut off valve
- Step 2:** Set the A/C to no higher than 78 degrees
- Step 3:** Turn off electric hot water heater circuit breaker to prevent fire
- Step 4:** Have your unit checked for water leaks at least once every 14 days

Step 4 may come as a surprise to you, but almost every homeowners policy excludes “continuous or repeated seepage or leakage of water or the presence of condensation, humidity, moisture or vapor that occurs over a period of 14 days or more”. That means, if water damage occurs over a period of 14 days or more, your claim may be denied. Since your Association’s insurance policy also contains this rule, the Association’s claim for damage to bare drywall, bare floors and bare ceiling may ALSO be denied.

Since, per FL Statute 718, the Association is only responsible in the case of an “**insurable event**”, any denied claims for damage to the bare drywall, bare ceiling and bare floors may then become unit owner responsibility depending on the condo’s declarations or bylaws.

“Any portion of the condominium property that must be insured by the association against property loss...which is damaged by an insurable event shall be reconstructed, repaired, or replaced as necessary by the association as a common expense. In the absence of an insurable event, the association or the unit owners shall be responsible for the reconstruction, repair, or replacement, as determined by the provisions of the declaration or bylaws.”

So at the end of the day, with coverage denied from both the personal homeowners policy and the Association’s policy, ALL OF THE DAMAGE could become an out of pocket expense to the unit owner, if designated by the documents. Keep in mind, unless negligence can be PROVED, any damage to your unit is your responsibility, not the responsibility of the owner from where the water leak occurred.

It is strongly recommended that you review your personal insurance policy to determine how often you must have your unit checked for possible water damage as well as your Association’s documents as they pertain to insurance coverage and requirements. The best option is to have a company that is licensed, bonded and insured check your unit. In the event that a water leak is missed, they will have liability coverage to pay for the damage. You can find these local licensed and insured companies via internet search.