

Facts About Insurance Every LW Resident Should Know

Your Mutual's Master Policy covers your Mutual's buildings along with all common areas, but it does not cover:

- Your personal belongings;
- Non-standard property inside the walls of your condo or co-op, including the non-structural upgrades, alterations and/or interior or exterior improvements of your co-op or interior of your condo unit. These would include, but not be limited to upgraded doors, bay windows, triple-pane windows, flooring, window treatments, granite counter tops, appliances, air-conditioning, heat pumps, etc...
- Your personal liability in the event you become legally liable for causing bodily injury and/or property damage to another person;
- Any Earthquake damage

As a shareholder in a co-op, you face similar insurance risks as a homeowner, but your insurance needs are somewhat different in that you are only responsible for the non-standard property, upgrades, alternations and/or interior improvements of your unit. Insurance companies do not have a policy that is specifically designed for co-ops so the best fit for your co-op unit is what is called an HO-6 condo policy. This policy is broad enough to provide the coverage you will need to insure your personal property and interior items that are your responsibility, along with your personal liability.

In the event you (or the previous owner) expanded your co-op and everything was properly permitted, the expansion becomes part of the Mutual's buildings and in the event of a covered loss your unit would be re-built by the Mutual's insurance according to standard building materials only. You would be responsible for any non-standard, non-structural items within the expansion including but not limited to upgraded doors, bay windows, triple-pane windows, flooring, window treatments, granite counter tops, appliances, air conditioning, heat pumps etc. It is important you advise your insurance agent if your unit contains these types of upgrades and/or alterations.

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You should also be sure your personal insurance policy covers you for Additional Living Expenses (ALE). This is normally standard on an HO-6 policy. This coverage would come into play if your co-op or condo becomes uninhabitable due to a covered cause of loss, not attributable to the Mutual, such as fire or water damage and would contribute towards the additional living expenses you incur to live elsewhere until such time as your co-op or condo is again habitable.

Your personal liability is also a standard component within an HO-6 policy. This coverage is meant to pay your defense costs in the event you are named in a lawsuit along with any judgment costs that are levied against you. This coverage is triggered when you have been accused of causing bodily injury or property damage to another person. Examples of loss could include a person (s) injured inside your home, dog bites, golf cart accidents, etc. Any costs an insurance company would pay in the event of a covered cause of loss would only be up to the policy limit you chose.

Many of the more expensive items a resident owns can have limited coverage under a standard HO-6 policy. If you have such items they should be scheduled within a "Personal Article Floater" to insure you are properly insured. These items include jewelry, furs, expensive cameras, golf equipment, fine arts, collections, computer equipment, etc.

To insure you are properly compensated for your damaged items you should keep an inventory of all your personal belongings and those should be sent to your agent. Many insurance companies offer a "household inventory" form that will enable you to list items of concern along with the purchase dates and original costs. Pictures should also be taken of each valuable item along with each room, including closets, open drawers and carport storage cabinets that contain items you would want replaced in the event of a loss. Pictures and receipts of major items should be sent to your insurance agent along with also being kept in a fireproof safe or an offsite location.

The best advice is to consult with a professional insurance agent that is knowledgeable about you and your co-op or condo to insure that you are sufficiently prepared in the event of a loss or disaster