

What should my condominium owner's insurance policy cover?

Condominium (or HO-6) insurance is designed to protect your individual unit, your personal belongings, and your personal liability. This policy fills the coverage gaps left by your condo association's master policy, which typically only covers the building's exterior and common areas. The exact amount of coverage you need depends on your association's master policy, so it's important to review its details.

Primary coverages of a condo insurance policy:

- **Interior of your unit (dwelling coverage):** This part of the policy covers the structural elements from the "walls-in." This includes fixtures, appliances, flooring, walls, and any improvements or upgrades you've made. The extent of your dwelling coverage needs depends on the type of master policy your association has:
 - **Bare-walls-in:** This master policy is the least comprehensive, covering only the building's exterior and common areas. As the unit owner, you are responsible for everything within your walls.
 - **Single-entity:** This covers the main building and original fixtures within your unit. You are responsible for your personal belongings and any improvements you've made.
 - **All-in:** The most comprehensive master policy covers the building, fixtures, and any improvements. In this case, your individual policy may only need to cover your personal belongings.
- **Personal property:** This protects your belongings if they are damaged or stolen due to covered perils like fire or theft. It covers items such as:
 - Furniture, clothing, and electronics
 - Appliances, kitchenware, and valuables
 - Coverage can extend to belongings when they are outside your condo, such as a laptop stolen from your car.
- **Personal liability:** This coverage protects you if you are found legally responsible for an accident, such as if a guest is injured in your unit or you accidentally cause damage to a neighbor's property. It helps cover legal fees and medical bills.

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- **Loss of use (Additional Living Expenses):** If a covered event, like a fire, makes your condo uninhabitable, this coverage pays for temporary living expenses. This includes hotel stays, meals, and other costs incurred while your unit is being repaired.
- **Loss assessment:** When an event damages a common area, like the roof or pool, and the cost of repairs exceeds the master policy's limits, the condo association may charge all unit owners a special assessment. This coverage helps pay your portion of that fee.

Common optional coverages

- **Scheduled personal property:** Increases coverage limits for valuable items like jewelry, fine art, or expensive electronics, which may have limited coverage under a standard policy.
- **Water backup:** Adds protection for damage caused by backed-up drains or sewers, which is not covered by standard condo insurance.
- **Earthquake or flood insurance:** Standard policies exclude damage from floods and earthquakes. You will need a separate policy to cover these risks.

What is generally not covered

- **Normal wear and tear**
- **Damage from pests** like termites or rodents
- **Damage to common areas**, which is typically covered by the master policy
- **Intentional damage** or injury