



INFO BI – CONDO OWNER ASSESSMENT INSURANCE COVERAGE

Owners please be aware that there is very inexpensive insurance coverage in the even the Association needs to do a large assessment to owners for an extra-ordinary event, such as Wind/Hail damage to the roofs, buildings, grounds, etc. This coverage does not pay assessments the Association may need to impose for normal road repairs. It would cover the assessment costs should a large sink hole appear on the property. Be sure to check with your agent on what is best for your situation. This notice simply let's Owners know that this kind of coverage exists. It is up to the individual Owner to decide if it is warranted in their situation. Prices listed are from 2026.

What if we have a wind or hail claim?

How to fund a Wind / Hail Deductible? If presented with a large Wind or Hail claim, the Association can assess all the Unit Owners to cover the Deductible cost. Here's the good news! Unit Owner Policies typically include coverage called **Loss Assessment Coverage**. Loss Assessment Coverage helps prevent a condo owner from paying out of pocket if their condo association issues a special assessment for expenses related to an insurance claim. If the Unit Owner has **Loss Assessment Coverage**, the Unit Owners insurance company will pay their portion of the assessment for a Wind or Hail claim. Insurance agents typically recommend this coverage when selling Condo Unit Owner Policies. However, I strongly recommend sending a notice to Unit Owners. Advise Unit Owners to contact their agent and make sure they have **Loss Assessment Coverage**.

How much does it cost to add Loss Assessment Coverage? For a Unit Owner that doesn't already have coverage, here is a recent quote example using a Unit Owner Policy written by Nationwide:

Loss Assessment Limit - \$1,000 = cost \$3 a year

Loss Assessment Limit - \$10,000 = cost \$5 a year

Loss Assessment Limit - \$25,000 = cost \$5.50 a year

Loss Assessment Limit - \$50,000 = cost \$7 a year

As you can see, the cost is minimal. If the Association is adding a Wind / Hail Deductible, I recommend sending a notice advising Unit Owners to discuss **Loss Assessment Coverage** with their Agent.

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