

LOSS ASSESSMENT INSURANCE COVERAGE

To some degree, we are all aware of the unstable conditions in the Florida insurance market caused by hurricane underwriting losses and the exodus of several insurance companies from the market. Within our Veranda VII Association, insurance costs have escalated approximately 300% over the past few years.

In the event that Veranda VII incurs an uninsured loss (for example, because of the deductible associated with an insured hurricane event), the Association may need to assess all or a portion of the loss back to the unit owners. Should this occur, the Board simply would like to remind owners about insurance coverage that may be available through your condominium unit owner policy, commonly referred to as an HO6 policy.

Florida statute requires that admitted carriers (carriers that are licensed to do business in the State of Florida) provide \$2,000 of property loss assessment coverage within their respective HO6 policy. **Owners may be able to negotiate a higher limit of coverage with their carrier.**

Example: Veranda VII incurs an uninsured loss to common areas of \$260,000 due to a hurricane event and assesses each of the 52 units within the Association \$5,000 to pay for the loss. Each unit owner with an HO6 policy through a Florida admitted carrier may be able to recover \$2,000 through their policy.

If the above is of interest or concern to you, the Veranda VII Board of Directors encourages you to review the provisions of your policy with your insurance agent.