IMPORTANT CONDOMINIUM INSURANCE INFORMATION

DON'T LOSE OUT ON HAVING THE APPROPRIATE AMOUNT OF LOSS ASSESSMENT COVERAGE

1. WHAT IS LOSS ASSESSMENT COVERAGE?   DATE: 6-2024

Loss Assessment Coverage ("LAC") is automatically included in a condominium unit owner's residential property insurance policy per § 718.111(11)(g), Florida Statutes and § 627.714, Florida Statutes. Since 2010, coverage under an *ISO Homeowners Policy Unit Owners Form 6* ("HO-6 Policy") must include loss assessment coverage for all assessments made as a result of a direct loss to the condominium property if the loss is otherwise covered by the owner's HO-6 Policy. The default amount statutorily required to be provided by each unit owner's HO-6 insurance policy is $2,000.00.

2. WHY INCREASE THE $2,000 MINIMUM AMOUNT OF LAC?

We are heading into what may be one of the most active hurricane seasons on record with a projection of as many as 25 named storms, 13 hurricanes, 7 major hurricanes, and 10 direct impacts for 2024. What if the forecasters are correct and one or more major hurricanes hit Southwest Florida again? What happens if a major storm causes severe damage to your condominium? What if the Association's insurance proceeds do not fully cover the cost of the needed repairs or the Association has to pay a substantial deductible? Can you afford to pay a special assessment of $5,000, $10,000 or $20,000? What can diligent and educated unit owners do now to protect themselves in the future?

3. HOW MUCH DOES INCREASING THE AMOUNT OF THE LAC COST?

An increase in the amount of the LAC typically has a low annual cost but will vary by insurer and the amount of additional LAC coverage that you elect to purchase. The Association recommends all unit owners promptly speak with their personal insurance agent as soon as possible to explore whether your insurance company will allow you to increase the amount of your LAC and the costs associated with such an increase.

HURRICANE SEASON HAS STARTED SO NOW IS THE TIME TO PREPARE.