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TO: ALL UNIT OWNERS

During the 2008 legislative session, House Bill 601 was passed. This bill makes changes to parts of the Chapter 718 Florida Statutes dealing with Condominium Insurance issues. The revised statutes pertaining specifically to insurance are below for your review.

In reference to the Master Policy, the following changes apply.

1-Association insurance must be based on the replacement cost of the property as determined by an "independent insurance appraisal" done at least every 36 months. Currently, Citizens Insurance Company requires an appraisal every 18 months and we are not sure if they will change this underwriting rule at this time.

2-Associations are permitted to self-insure, as long as Florida Statutes are followed.

3-The "pooling" arrangement authorized in the 2007 legislative session is permitted but after testing by the Office of Insurance Regulation, it is the state's opinion that few, if any, such arrangements will meet the criteria specified in the statute.

4-As of January 1, 2009, air-conditioners are no longer on the list of **EXCLUDED** property under the master policy.

The following changes will apply to the individual unit-owners policy.

The following become effective January 1, 2009 and should be considered.

- The statute states that the unit-owner policy shall include "special assessment coverage of no less than \$2,000.
- Improvements and alterations made by the unit-owner that benefit fewer than all residents (such as enclosed balcony or individual elevator) shall be insured by the unit owner.
- The association shall require the unit owner to produce evidence of insurance on their individual unit. The unit owner shall name the association as an additionally named insured on their individual policy.

The following items, still apply, The Master Policy for the association covers the outside of the units and the overall buildings structure and all the condominium property that they are required to cover under the Declarations of Condominium.

You as a unit owner will be responsible for the following:

- Floor, wall and ceiling coverings
- Appliances
- Mold and Fungi Damage
- Replacement for any of the above units
- Window treatments, including curtains, drapes, blinds and hardware.
- Electrical fixtures
- Water heater
- Built in cabinets and counter tops
- Water filters

As the unit-owner, you should ask your agent to give you a Condominium Homeowners Policy Form HO6. You will need to determine the following items:

- 1-Additions and Alterations which covers those items that are attached to the unit and improvements made to your individual unit.
- 2-Personal Property which should include things such as clothing, dishes, furniture, golf clubs and other personal property.
- 3-Personal liability in the amount of at least \$300,000
- 4-Loss Assessment in the amount of at least \$1,000 (\$2,000 required by law as of 01/01/09).

It is also important to purchase mold and fungi coverage under your Homeowners Policy. This coverage is NOT provided by the Master Association Policy. Mold and fungi coverage can be purchased as follows:

- 1-Mold and Fungi Property Coverage in the amount of at least \$10,000 but consider \$50,000.
- 2-Mold and Fungi Bodily Injury Liability Coverage in the amount of at least \$20,000 but consider \$100,000.

Your Condominium Documents may require you to cover more than this. Therefore; we recommend you and your insurance agent consult the documents for the specifics. We would strongly recommend you carry Flood Insurance on your personal property. We hope this information is helpful. **You may want to pass this letter onto your current agent to be sure you are covered properly.**

As of January 1st, please remit Proof of Insurance to J & L Property Management, at the above furnished address.

Thank you for your cooperation in this matter.

Cordially,

James Calderazzo