

Co-op Coalition Survey: Homeowners' Insurance Requirements

Thanks to the 14 people taking the time to respond. The results are contained in the table, below. Once again, thanks for helping your other co-op Coalition members!

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In a message dated Jun 13, 2017 12:46 pm Eastern Daylight Time, CooperativesDC@aol.com writes:

Dear Co-op Presidents, Managers, and Coalition Representatives:

Here is a question all co-ops must face: homeowner insurance. Following are two questions from a Coalition member. Can you help? Please decide for your co-op who is best able to answer the questions for your co-op-- President, Manager, or Representative-- and send your responses via Reply. Please reply by Friday, June 23.

Thanks for your help!

Mike O'Dell, Director
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Our co-op board could use some help from our fellow co-ops. We currently require that owners insure their properties but do not prescribe any particular coverage or limits. (1) Do other boards have requirements for types of coverage and minimum coverage limits? Also, (2) do others verify that coverage is obtained when a new owner moves in and/or retained from year to year? Thanks in advance for your help.

This email is sent to everyone blind-copied to protect your privacy.

<50 units	<p>According to our occupancy agreement, owners are required to maintain both liability insurance and property insurance on the interior of their unit (a minimum which is determined by the Board); however, the Board has never specified what the minimum coverage should be. However, in practice, it's difficult to enforce these requirements and while we try and fine owners if we know their previous policy expired and they haven't provided evidence of a current one for several months, we don't do the best job monitoring. We also don't do much to ensure that the evidence they provide of their current policy includes both types of coverage required (liability and interior unit property coverage).</p> <p>We require that all owners provide proof of their current policy to the Board (i.e. needs to show current period coverage). New owners must have a current policy as well but we typically give them a month or so to provide a copy to the Board before we would fine them.</p>
<50 units	<p>We do not require that owners carry homeowner insurance but we advise them to do so. We inform them of the coop's insurance coverage for the common areas. Most of our owners apply for a mortgage and the mortgage company requires that they provide a copy of their homeowners insurance as well as the coop's insurance.</p>

<50 units	[As President,] I am the person to decide.
<50 units	Our coop doesn't require shareholders to have their own homeowner's insurance for things inside their own unit or for liability (obviously, the coop itself has a master insurance plan). The Board discussed this matter a few years ago and some of us wanted to require shareholders to carry some basic homeowner's insurance that has liability coverage. But there was some resistance from a shareholder who was on the board, and in the end, we decided to just recommend, rather than require, this. Luckily, most mortgage companies now require some standard homeowner's insurance coverage so we only have to worry about people who did cash transactions (and there are not that many).
<50 units	Our By-Laws require owners to buy and maintain in force an HO-6 or equivalent homeowner's policy which is issued by an insurer licensed to do business in the District of Columbia and which provides coverage consistent with any minimum requirements promulgated by the Board of Directors. The Board may at any time require the owner to present evidence that such a policy has been purchased and remains in force. It is stipulated in the present House Rules and Regulations that the homeowner's insurance must include a minimum of \$300,000 in personal liability coverage and a loss of use provision.
<50 units	[Our co-op] does not have specific requirements for co-owner insurance coverage. We do require that any co-owner subleasing (renting out) their unit obtain liability insurance. We recommend that co-owners have an HO-6 policy to cover their personal belongings and liability for any damage that might be caused by the owners or their guests. It is my understanding that the D.C. Condominium Act of 2014 [although it does not cover cooperatives,] included a requirement that owners obtain insurance with dwelling coverage of \$10,000 and personal liability coverage of \$300,000. This might be a good guideline to use.
51 – 99 units	In order to insure that potential losses are appropriately covered, and to avoid undue risk to other Members, each Member is required to carry and maintain in force an HO-6 Homeowners Insurance Policy covering personal property located in their unit and in storage units. Members are also responsible for carrying appropriate insurance to cover liabilities to their employees, contractors, guests, and others entering in or visiting their unit. Members are required to maintain a personal umbrella liability policy with limits of not less than \$2 million. Each Member is responsible for furnishing to the General Manager, at time of initial delivery of the Proprietary Lease and annually thereafter, a certificate of insurance, evidencing that the Member has in force an HO-6 Homeowners Policy and an umbrella liability policy.
51 – 99 units	President
100 – 199 units	[Our co-op] requires all stock holders to maintain an HO-6 home owners insurance policy.
200+ units	Each Resident is required to obtain and to keep in force and effect an HO-6 Condo Unit Owner's, or equivalent, policy of insurance in such amounts as the Resident deems appropriate, but in no event less than \$50,000 for the Resident's personal property and no less than \$500,000 (including umbrella policy coverage, if any) for liability for property damage or personal injuries to third persons caused by the Resident or any of the persons described in Rule 3.5. Coverage for improvements and betterments is recommended where applicable. We do keep a spreadsheet to obtain an insurance certificate each year.
200+ units	We don't require as Shareholders pay into our master insurance policy. We do encourage supplemental coverage for renters, liability, personal belongings, etc. however do not specify suggested coverage limits.
200+ units	We suggest they purchase insurance, but don't require it.

<p>200+ units</p>	<p>Pet owners must maintain a comprehensive personal liability insurance policy in a minimum amount of \$25,000 to cover any loss or personal injury caused by a pet to any Harbour Square resident, guest, or employee.</p> <p>[Our co-op's] master insurance policy covers damage to [our] buildings (common areas and units) caused by sudden casualties, regardless of who, if anyone, was at fault. However the [co-op's] master insurance policy has a \$10,000 deductible, so if the total cost of repair of damage resulting from a sudden casualty is less than \$10,000, [our] master insurance policy will not cover the repairs, nor will it cover the first \$10,000 of repairs if the total cost of repair is higher than \$10,000.</p> <p>Residents who are not owners must obtain renters insurance to cover the loss of personal property. Owners must obtain homeowners insurance to cover any potential loss or damage to their Unit as a result of the negligent or non-negligent events in other owners' units, or such events in their own unit, that is not covered by HSOI's master insurance policy; to cover potential loss or damage to personal property of the owner, or loss of use of the owner/resident's unit caused by events that originate from the common areas of the property, the negligent or non-negligent events in other owners' units, or such events in their own unit; to cover the owners' liability for damage to neighboring units or Corporation property caused by the owner's negligence; and to cover damage to the personal property of, or the loss of use of a unit by, other owners/residents caused by the owner's negligence.</p> <p>If not covered by [the co-op's] master insurance policy, owners and residents are responsible for damage to their own unit caused by their own actions, whether or not the owner's actions are negligent. Owners and residents are also responsible for damage to a neighbor's unit or Corporation property not covered by [the co-op's] master insurance policy, as well as damage to the personal property of, or the loss of use of, a unit by neighboring owners/residents when caused by their own negligence or their failure to fulfill their responsibilities for maintenance, repair, and replacement under the House Rules.</p> <p>To the extent that a loss is covered under [the corporate] master insurance policy, if the cause of the damage or destruction to a unit or common area originates from a unit, the owner of the unit where the cause of the damage or destruction originated shall be responsible for the amount of HSOI's property insurance deductible under the HSOI master insurance policy, which amount may be assessed against the owner's unit.</p> <p>The Corporation, under the governing documents, is not responsible for either damage to the personal property of an owner/resident or loss of use of an owner/resident's unit, even when such damage or loss results from an incident originating in the common areas, nor does [the co-op's] master insurance policy cover such damages and losses. [The co-op's] master insurance policy also only covers the restoration of units to the equivalent of the original construction of the unit, and does not cover improvements to a unit that are in excess of the original construction equivalent.</p> <p>Residents will be required to provide annual proof of insurance coverage at such date and manner, and in such minimum coverage amounts, as the Board may decide from time to time.</p>
<p>200+ units</p>	<p>Each shareholder or resident shall obtain and maintain in effect at all times, individual insurance commonly known as a "Condominium and Cooperative Apartment Owner's Policy" (often referred to as an "HO 6" policy). The amount of coverage shall be not less than the amount of the deductible in the Master Insurance Policy maintained on the Cooperative by the Board of Directors.</p>

	Shareholders and residents are required to provide to the General Manager's Office annual proof of insurance. No new shareholder will be allowed to occupy a unit unless proof of insurance is provided. We will also not provide pool passes unless proof of insurance is provided
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