

Commercial Residential: Condominium, Homeowner, and Cooperative Association Coverage Clarification

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Due to an evolving real estate trend in the Florida market, many new commercial residential homeowner and cooperative association developments are being constructed throughout the state. Some of these associations have modified their association bylaws to mirror the overall association and individual unit-owner insuring responsibilities of a condominium association. While these modifications can result in a reduction of their association's responsibilities and insurance costs, they have created confusion for policyholders, agents and Citizens that has resulted in:

- Policies being issued on an incorrect coverage form
- Discrepancies in valuation of the property
- Incorrect rating of the policy
- Inadequate coverage
- Coverage conflicts and issues relating to timely and accurate claim settlements in the event of a covered loss

Citizens has insured and will continue to insure eligible condominium, cooperative and homeowner association properties and has basic coverage forms designed to meet the specific statutory coverage requirements for these entities. The information below provides further clarification of Citizens' policy submission requirements and appropriate coverage forms applicable to ensure policyholders have the appropriate coverage.

Condominium Associations

Condominium associations are defined by Florida Statute [718](#), and only associations that meet the definition in this statute can be submitted and insured as condominium buildings with Citizens.

- In PolicyCenter[®], the *Building Type* must reflect *Condominium Association*
- The building coverage limit is based upon 100 percent replacement cost value of a condominium building, which reflects the statutory condominium association and individual unit-owner insuring responsibilities.

Coverage for all condominium association buildings will be issued on a [Condominium Association Coverage Form](#) (CP 00 17).

Cooperatives and Homeowner Associations

Cooperatives and homeowner associations are defined by Florida Statutes [719](#) and [720](#), respectively. Cooperative and homeowner association buildings, regardless of how the association bylaws are drafted, must be submitted as a cooperative or homeowner association building as applicable.

- In PolicyCenter, the *Building Type* must reflect *Cooperative Buildings* or *Homeowner Association*.
- The building coverage limit is based upon a 100 percent replacement cost value of the structure to be insured.

Coverage for all cooperatives and homeowner association buildings will be issued on a [Building and Personal Property Coverage Form](#) (CP 00 10).

Agents should be aware that Citizens will not insure cooperative or homeowner association buildings on the [Condominium Association Coverage Form](#) (CP 00 17). Citizens will require agents to resubmit applications that do not meet the submission requirements outlined above.

For more information refer to the [Commercial Residential Multiperil](#) (CR-M) and [Commercial Residential Wind-Only](#) (CR-W) manuals. You also can contact our Customer Care Center, 888.685.1555, and ask for Commercial Lines Underwriting to assist with questions.

Note: Users must be logged into the *Agents* site to view the linked documents.

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