

Barton Business Condominium Association, Inc.

Commercial Condominium – Summary of Buyer Insurance Requirements

(To be distributed to buyers of commercial condominium units)

This document provides a summary of the required commercial insurance coverage that must be maintained by each unit owner, as required by the condominium association. All unit owners must provide proof of insurance to the association's management annually, or upon request.

1. Property insurance - Each unit owner must obtain and maintain property insurance coverage on their individual unit. This policy must provide:

- **Coverage amount:** Full replacement cost coverage for the unit, including fixtures, installations, additions, and other improvements, with limits of not less than \$250,000.
- **Coverage details:** Your policy must cover the coverage for the full replacement cost of (excluding common areas/elements) of your unit, including fixtures, floors, walls, and personal property, as the master policy held by the association only covers common areas.
- **Special peril forms:** This coverage should be provided on a "special" or "all-risk" form, which offers broader protection than a standard, named-peril policy.
- **Association deductible:** Unit owners may also be responsible for loss assessments levied by the association, so it is recommended to include loss assessment coverage.

2. General liability insurance - Each unit owner must obtain and maintain commercial general liability (CGL) insurance coverage. This policy must include:

- **Coverage amount:** CGL coverage with limits of not less than \$1,000,000 per occurrence with a \$2,000,000 aggregate
- **Additional insured endorsement:** The policy must name the association as an "additional insured". This protection is provided using the endorsement *CG 20 11—Managers or Lessors of Premises*.
- **Purpose of endorsement:** The CG 20 11 endorsement extends coverage to the association for liabilities that arise out of the unit owner's use, occupancy, or maintenance of their leased premises.
- **Proof of insurance:** Your proof of insurance must specify that the association is an additional insured using the CG 20 11 endorsement.

Important considerations for unit owners

- **Review governing documents:** Unit owners should review the full condominium association bylaws and master insurance policy to understand their specific responsibilities and coordination of coverage.
- **Tenant requirements:** If the unit owner intends to lease their unit to a tenant, the lease agreement must require the tenant to carry on their own CGL policy and name both the unit owner and the association as additional insureds.
- **Consult an expert:** Unit owners should consult with a qualified insurance agent or attorney to ensure that their policy fully meets these requirements.
- **Coverage Available through the Association** – the association can provide you with an optional quote for this unit owner coverage.

Disclaimer - This document is for informational purposes only and does not constitute a contract or binding agreement. The insurance requirements set forth herein are subject to the official condominium association governing documents and may be updated periodically.