

HOUSE SUMMARY OF SENATE AMENDMENTS

HB 426

2019 Regular Session

Hilferty

CONDOMINIUMS: Provides with respect to insurance coverage in condominium units

Synopsis of Senate Amendments

1. Clarifies proposed law to provide that the association shall not be prevented from collecting any deductible or out-of-pocket expenses not covered by the association's insurance policies from the negligent unit owner.

Digest of Bill as Finally Passed by Senate

Present law requires that condominium associations purchase property insurance on the common elements and units to insure against all risks of direct physical loss.

Present law also requires the association to purchase comprehensive general liability insurance, including medical payments, covering all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with use, ownership, or maintenance of the common elements.

Present law requires the association policy to provide that each unit owner is insured under the policy, that the association's insurer waives rights to subrogation against any unit owner, that no act or omission by a unit owner will void the policy or be a condition to recovery. Proposed law retains present law.

Present law provides that if at a time of loss, there is another insurance in the name of the unit owner covering the same property, the association policy is primary. Proposed law deletes present law.

Present law provides that the association insurance policy does not prevent a unit owner from obtaining insurance for his own benefit. Proposed law retains present law and further provides that when a unit owner does purchase a policy and a loss is sustained, the association policy shall remain primary for the loss of common elements, structural elements and components, and fixtures and improvements of the condominium units. The unit owner policy shall be responsible for betterments and improvements installed by the unit owner.

Proposed law provides that betterments and improvements are upgrades that are of a higher quality than those originally constructed within the unit.

Proposed law provides that the association shall not be prevented from collecting any deductible or out-of-pocket expenses not covered by the association's insurance policies from the negligent unit owner.

(Amends R.S. 9:1123.112(C))