

RÉSUMÉ DIGEST

ACT 228 (HB 426)

2019 Regular Session

Hilferty

Existing law requires each condominium association to purchase property insurance on the common elements and units to insure against all risks of direct physical loss.

Existing 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.

Existing 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, and that no act or omission by a unit owner will void the policy or be a condition to recovery. New law retains existing law.

Prior law provided that if at a time of loss there was another insurance in the name of the unit owner covering the same property, the association policy was primary. New law deletes prior law.

Existing law provides that the association insurance policy does not prevent a unit owner from obtaining insurance for his own benefit. New law retains existing 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.

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

New 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.

Effective August 1, 2019.

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