

A REVIEW of TPE Insurance Coverage Responsibilities

Common Area Master TPE HOA Insurance

Ordered and paid for by Terrace Park East HOA, which covers every area of Terrace Park East that is not inside the condominiums.

Condo Homeowners Insurance

Ordered and paid for by the unit owner to pay you for loss by fire, smoke, water, and other damages to the interior of the unit.

Most damage to TPE condo units is water damage from hot water tanks bursting, water supply lines to sinks, dishwashers, ice makers, clothes washers, and toilets rupture.

Your condo insurance should also cover repairs and replacements to kitchen cabinets, appliances, floor covering, light fixtures, walls, doors, windows, and ceiling inside the condo unit. Inside is defined from the face of the exterior brick or sheetrock walls into the condo, from the concrete floors up and the concrete ceiling down.

How much insurance is necessary so as not to be underinsured? When you are underinsured, your insurance underwriter has all the excuses they need to deny your claims.

- **Minimum content & Personal Property: \$50,000.00**
- **Minimum Liability Insurance: \$300,000.00.**

Renters/Tenants Insurance

Ordered and paid by the renter/tenant covers everything the renter/tenant brings to the condominium with them.

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## **Fire, Smoke, and Water damage to condominium interiors**

As a homeowner, you are responsible for damages to your condominium regardless of the cause. Even if the damage and destruction come from another condo, such as fire, smoke or water line breaks or ruptured hot water tanks or toilet, sinks, tub/shower overflow, the cost to repair and replace is the responsibility of the homeowner, which is why you must carry Condo Homeowners Insurance.

## **INSURANCE COMPANIES SUBROGATION**

When there is damage and loss to your condo from water leaks, fire, smoke, etc., that originate from another condo, your insurance company will pay you for your loss to the extent of your policy coverage and then file a subrogation action against the insurance company that insured the condo where the water, fire, or smoke originated.

### **What is subrogation?**

"Subrogation refers to the right your insurance company has under your policy to pay your claim and then request reimbursement from the at-fault party. This reimbursement often comes from the at-fault party's insurance company.

The subrogation process can take weeks/months, depending on the loss circumstances, the claim's complexity, and the state where it occurred, which is why your insurance company will pay your claim so you can get on with your life.

Again, subrogation gives your insurance company the legal right to pay for the damages to your condominium to the extent of the policy limits and then file a claim to recover what they paid you for your loss, so your insurance underwriter is reimbursed.

**FOR YOUR INFO: The typical life of a HOT WATER TANK is 8 to 12 years max. Every hot water tank has an information (spec) plate on the side of the tank, which you can photoshoot, then look for mfg. date or serial number. The last three water tanks that burst at TPE were over 20 years old (Should have been replaced 10 YEARS AGO).**