



Impact Window Upgrades and Coverage

by Gene Pridemore

The trend today is for condominium owners in Southeast Florida to replace their original “plain plate” windows and sliding glass doors with impact resistant glass windows and hurricane compliant doors. This is being done either by the association for the entire building (with assessments to all of the unit owners) or by the unit owner themselves on a unit-by-unit basis. The decision to replace the windows is voluntary, unless of course the reason is for a remodel by choice or requirement due to a casualty loss, in which case the South Florida Building Code specifically requires impact glass and code compliant door replacement.

The new windows and doors keep the air conditioning inside and the noise outside and are a great improvement for year-round enjoyment. The main reason they are installed, however, is because they should remain in place when the hurricane force winds are blowing against them, and they should deflect most items from penetrating them.

They also reduce the unit owner's homeowners policy premium each year. If the entire building is impact window and door or approved shutter compliant, the windstorm premium for the association could possibly be reduced by approximately 15-30 percent depending on the type of policy.

They are a win-win situation for everyone; the only problem is that they are an expensive investment—the average cost is \$5000 per average two-bedroom, two bath unit—and therefore need to be insured against the same perils as the building and contents of the individual unit.

Insuring improvements like impact glass or compliant doors, and other improvements to the building not related to hurricane protection, might seem automatic since they are a part of the building. However, many board members, unit owners, and insurance agents may not be aware that coverage might not automatically exist for these improvements made to their buildings.

The governing state condominium statute 718.111 (11) contains many statements throughout it that

apply to additions and alterations. The driving statement says that: "Every property insurance policy issued or renewed on or after January 1, 2009 for the purpose of protecting the condominium must provide primary coverage for all portions of the condominium property as originally installed or replacement of like kind and quality in accordance with the original plans and specifications." Part two of that section directs the manner in which the original documents can be amended to make the documents dictate that the association is responsible for the additions. However, amending documents can be expensive and can take a long time.

Unless the construction date of the association is fairly recent (2000 or later), impact glass and compliant doors probably were not a part of the



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“original plans and specifications” and thus, according to statute 718 (1), their addition is not automatically covered under the condominium policy. This leaves the older association building without automatic coverage for the impact window replacement but should complete the requirement for automatic coverage on a new building. The policy forms CP0017 and CP0191 indicate that an upgraded window is a fixture and not included in the list of excluded items, such as floors, walls, and ceiling coverings, cabinets, etc., and, therefore, indicate that coverage should apply. There has been a recent claim where the carrier denied payment for the cost of the impact window replacement (impact window was already installed before a fire), and, therefore, this assumption of coverage was false.

How does an older association insure such additions made to the condominium building?

Three ways exist to solve the problem and one, two, or all of them need to be put into motion as soon as possible for those older associations who might fall into the category of having possible uncovered additions or alterations.

The first is for the association board to advise each unit owner that coverage of the new windows and doors is their responsibility, and the unit owners should contact their insurance agent to increase coverage “A” (real property) on their individual HO-6 by the amount of the total cost of the improvement. This is the best way to be confident of coverage when the replacement has been done on a unit-by-unit basis. Remember the change in the law about unit owners and the requirement for them to carry insurance. As a result of this change, many unit owners do not even carry the minimum to pick up the state-required loss assessment coverage. These uninsured unit owners could cause a problem after a loss if the unit owner refuses to pay for the uninsured impact window that must be replaced and the association is forced to pay for it.

A second way is for the association to purchase “Building Ordinance Coverage.” This can be hard to find or afford for the older association and, more than likely if they do have it, the windstorm hazard is not a covered peril.

The third way for the older association building (in the case of a complete retrofitting) to obtain coverage on the windows and doors is to immediately inform the carrier of the changes. The proper forms (new appraisal and mitigation form) should be completed and sent to the company. The appraisal should show the increased value because of the window addition and the mitigation form will allow the carrier to apply the applicable credit. This acknowledgment by the carrier and the wording in the policy forms (CP0017 and CP0191), which state that impact windows are not specifically listed as excluded items, such as floor, ceiling, and wall covering, cabinets, etc., should suffice.

Until specific action is taken, the additions and alterations (impact windows) made to the condominium may not be automatically covered and of course the action needs to be taken before the claim.

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