

June 2010

Common Interest Ownership Act – Effective July 1, 2010

Effective July 1, 2010 the Common Interest Ownership Act, as amended by PA-09-225, governing condominiums in Connecticut will require associations to provide coverage not only for common elements, but also for improvements and betterments within the units.

If a community contains buildings with attached units sharing common walls or stacked units with common floors and ceilings then the master policy must cover the units as well as the common elements. However, the condominium association board of directors has the choice to provide “all in coverage” or to “opt out.” If the board of directors chooses “all in coverage” the association must cover improvements and betterments along with the units and common elements. If the board of directors chooses to not to insure betterments and improvements, they have chosen to “opt out.” It is the responsibility of the condominium association to inform their unit owners of their decision regardless of whether it is "all in coverage" or "opt out."

If the decision is to “opt out,” all unit owners must be given detailed inventory of the original unit components. This inventory must be provided each year and in all resale certificates to allow unit owners to determine the amount of insurance coverage they need to purchase for their unit.

TRIA changes: Terrorism will not be permitted to be rejected. All new and renewal policies issued with an effective date of October 1, 2009 are required to have this coverage (PA-09-164).

Fidelity Coverage: Effective July 1, 2010 all condominiums are required to have in place fidelity coverage.

We suggest that you contact your insurance companies that write this coverage.