

# **HOA & Condominium Associations Insurance Loss Prevention Tip**

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## **HOA Property Flood Issues and Claims**

Spring is just around the corner and every year many property owners and managers dealing with Home Owners and Condo Associations face damages to their property due to flooding caused by water runoff from all sorts of sources.

Unless you have purchased a flood insurance policy or flood insurance endorsement rider you are not protected under your standard HOA or condo property insurance policy. This is also the case for the individual unit owner's insurance policy. They all exclude flood and surface water claims. Flood insurance is generally expensive and has a \$ 25,000 deductible.

### **How do you protect yourself and your investment?**

#### **Problem- Irrigation system floods;**

- Broken pipes, leaks and breaks that occur during the first few weeks of operation
- Malfunctioning or incorrect setting of the system causing overwatering
- General overwatering of certain areas or watering while the ground is still frozen (*this can also cause slip and fall liability claims*)
- Runoff due to changes in landscaping etc.

**Solution:** Check the entire irrigation system thoroughly and inspect all areas where the sprinkler system operates at the start of the season and on a regular basis. Do not activate the system without checking it and making sure it operates properly. The average amount of this type of claim is between \$ 15,000 and \$25,000 and preventing this type of issue is a good investment in your property.

#### **Landscaping, gutter and roof water runoff;**

- Settling, sinking, expanding or shifting of the ground or landscaping features
- Ground cover or other landscaping features that are causing water to accumulate near the home and or penetrate the building envelope via the surface or below the ground.
- Water runoff near buildings that is not properly channeled away

**Solution:** Check the entire HOA grounds for problem areas and or hire a skilled contractor to check your landscaping, building envelope and other important areas. This helps to ensure your property and investment is protected.

**TIP:** Board members or unit owner should notify the manager or maintenance crew if they notice areas of concern. Don't assume they know. It is important to understand that most insurance companies will not pay for damages that cause a claim due to wear and tear, rot, mold, latent defect, rust and corrosion, faulty workmanship, faulty design and inherent vice. Inherent vice means losses caused by a quality in a property that causes it to damage itself or destroy itself.

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