

A BOARD EDUCATION SESSION

Insurance Claims for Condo & HOA Boards

What the master policy pays for, what the board has to prove, and how to keep a shortfall from becoming a special assessment.

Homeland Public Adjusters · Florida & New Jersey · Presented by Nelson Avila, Licensed Florida Public Adjuster, License G332385

THE PREMISE

The master policy pays for what the association proves.

The insurer's adjuster evaluates the claim for the insurer. Nobody on that side is building the association's claim. If the board doesn't document the loss, the insurer's number is the only number on the table, and that is what gets paid.

Who covers what after a loss

Item	Association master policy	Unit owner's policy
Roof, exterior walls, structure	Yes	No
Common areas, lobbies, pool, elevators	Yes	No
Drywall and unfinished walls inside units	Yes (Florida)	No
Floor, wall and ceiling coverings	No (Florida)	Yes
Cabinets, countertops, appliances, water heaters	No (Florida)	Yes
Electrical fixtures, window treatments	No (Florida)	Yes
Owner's belongings, loss of use	No	Yes

Florida: Fla. Stat. §718.111(11)(f). New Jersey: the master deed and bylaws set the line; there is no statutory split, so read yours before the loss.

BEFORE THE LOSS

Know the deductible before the season does

Hurricane deductible

Usually a percentage of the building's insured value, not a flat dollar amount. On a \$40 million building, a 5% deductible is \$2 million before the policy pays a dollar.

Who absorbs it

In Florida, the deductible and any loss above policy limits on an insured event are generally a common expense (§718.111(11)(j)). That is the special assessment, unless the claim is documented to its full value.

The board's homework

Put the dollar figure of every deductible in the minutes each renewal. Confirm the insured value matches the current replacement cost. Know whether ordinance-or-law coverage is on the policy.

The \$40 million example is an illustration, not a quote. Deductible terms are set by the policy; read the declarations page.

BEFORE THE LOSS

The clocks that run on the association

Florida

1 year

to give the insurer notice of a new claim, from the date of loss. 18 months for a supplemental or reopened claim. Late notice is a complete bar. (Fla. Stat. §627.70132)

New Jersey

30 days

for the insurer to accept or deny a property claim after it receives proof of loss, with written notice of any extension (N.J.A.C. 11:2-17.7). Your own notice deadline is in the policy: “prompt” notice means days, not months.

BEFORE THE LOSS

The record the board should already have

✓ **Dated photos and video** of the roof, exterior, common areas and mechanical rooms, every year before June 1.

✓ **The current policy, declarations page and endorsements** in one place the manager and two board members can reach.

✓ **Roof age, last inspection report and permit history.** "Wear and tear" is the first thing an insurer will say about a roof.

✓ **The reserve study and recent repair invoices.** They establish pre-loss condition, which is the whole argument.

✓ **A named emergency vendor list:** roofer, dry-out, electrician, with contracts reviewed before anyone is desperate.

✓ **A board resolution** naming who may report a claim and sign with a public adjuster, so nothing waits for a quorum.

AFTER THE LOSS

The first 72 hours

1

Make it safe

People out of unsafe areas, power off where water reached it, emergency tarps and dry-out. Keep every receipt.

2

Document before you clean

Photos and video of every area, every unit affected, before anything is moved or thrown out.

3

Report in writing

Notice to the insurer the same day, with the claim number saved. Tell unit owners to report to their own carriers.

4

Don't sign at the door

No contractor assignment, no repair contract, no adjuster contract from anyone who shows up uninvited.

5

Get your own adjuster in first

Before the insurer's inspection, so the scope is set by the association's documentation, not theirs.

AFTER THE LOSS

Where association claims come up short

The gap	What it looks like on the estimate
Hidden water	Scope stops at the visible stain. Wet insulation, cavities and the floor below are left out until someone opens the wall.
Matching	The insurer prices the damaged section only. Florida's matching rule and the policy's own language often require continuous runs to match.
Code upgrades	Older buildings can't be repaired to the old code. Without ordinance-or-law coverage priced into the claim, the upgrade is the association's.
Depreciation holdback	The first check is actual cash value. The recoverable depreciation is paid only after repairs are done and documented; many boards never collect it.
Master-vs-unit gap	Each insurer assigns an item to the other policy. The drywall, the coverings and the cabinets each need a home, in writing.
Deductible applied twice	One storm, two buildings, or one event treated as two occurrences. The policy's occurrence and calendar-year language decides it.

THE ARITHMETIC EVERY OWNER UNDERSTANDS

**Claim shortfall ÷ number of units
= the special assessment per door**

Every item left off the estimate on the last slide is divided among the owners. The board doesn't choose whether to pay for hidden water or code upgrades; it chooses whether the insurer pays or the members do.

AFTER THE LOSS

When the number is still short: the options, in order

Supplemental claim

A documented estimate of what was left out, submitted to the insurer. Most shortfalls are resolved here. Florida: within 18 months of the loss.

Mediation

Florida's DFS mediation program (§627.7015) is available to commercial residential policyholders, including associations. Non-binding, insurer pays the fee.

Appraisal

If the policy has the clause: each side names an appraiser, they pick an umpire, two of three bind the amount. Decides "how much," never "whether."

Litigation

For coverage denials and insurer conduct. Counsel, not a public adjuster; the two work together. Florida's suit deadline is five years from the date of loss (§95.11).

HOW WE WORK WITH BOARDS

Homeland Public Adjusters for associations

The association's adjuster, not the insurer's

We document the loss, write the line-item estimate, present the claim under the master policy and negotiate it. Unit owners can be represented separately.

Public adjuster, contractor, appraiser, umpire

All four on one team: a licensed Florida public adjuster who is also a Florida Certified Residential Contractor and a Certified Property Appraiser & Umpire (CPAU). Estimates written the way repairs are actually built, and the way appraisal panels actually decide.

One point of contact for the manager

Day-to-day with the CAM; the board hears from us at the decision points: scope, the insurer's position, dispute options, settlement. English and Spanish.

No Recovery, No Fee

Florida fees are capped by statute: 20% of what the insurer pays, 10% for claims from a declared emergency in the year after the declaration (§626.854(11)). New Jersey: the maximum fee is stated in the contract.

QUESTIONS

Bring us your last claim file. We'll tell you what was left on the table.

A free review of a closed or open association claim: the insurer's estimate, the policy and the photos. No obligation, and the board keeps the findings either way.

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