



**PHD Insurance Brokers, Inc.**  
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# Your Condo is Unique!

## You Deserve an Insurance Agent Who Specializes in Condo Unit Owner Protection.

Setting up the right insurance for a condo owner is one of the most complicated tasks in the insurance business. When was the last time YOU reviewed the coverage on your condo unit owners policy?

### True Story:



A condo owner decided to get her carpets cleaned by a professional cleaning company. As a courtesy to the workers, she stayed around to help move some furniture. To save space, she placed an end table on top of the couch, setting the table lamp on the couch, right next to the little end table.

She forgot that the lamp was not only plugged in, but also on a timer setting.

She left her home while the carpets were drying. While she was gone, the timer turned on, starting a fire that caused tremendous damage not only to her own condo unit and belongings, but also severe smoke damage to 5 adjacent units. Luckily, the fire department arrived quickly and was able to control the fire - with water! The water caused additional damage, especially to the units on the floors below.

In addition to smoke, fire and water losses to the condominiums and their contents, there were housing expenses for all the neighbors who had to leave their units during clean up and remodeling. Since the damage occurred as a direct consequence of "our" unit owner's activities, she was held responsible for all of the damage that occurred -- totaling several hundreds of thousands of dollars. Even though her neighbors had their own condo insurance, the neighbors' insurance companies sought payment from our client.

***As a condominium unit owner, you live about 6" away from two or more neighbors. That means, your biggest exposure is actually not the loss of your own condo and your belongings, but the condo and property of your neighbors. (Beware of the neighbor with antiques or an art collection...)***

### Facts:

Unlike single-family homes, condominiums are insured by two separate insurance policies - one for the complex (through the Homeowner Association's Master Policy) - and one for the individual unit owner.

The problem is that it is not always clear what is covered by which policy. Because there are two policies needed to fully cover your exposures, there is the risk of a dangerous gap: Usually, the Master policy's coverage includes common areas (walkways, pools), as well as part of the building's structure, and parts of the individual unit's structure. Does your Master Policy include coverage for wall coverings, carpet, appliances, interior walls, and any improvements you make? Or not? Do you have adequate liability limits? Or not?

Unfortunately, many condo policies are sold without these coverages being reviewed properly. In case of a loss, this may leave an insurance gap that can be very expensive for you. We can help! We have been writing condo coverage in California for over 42 years.