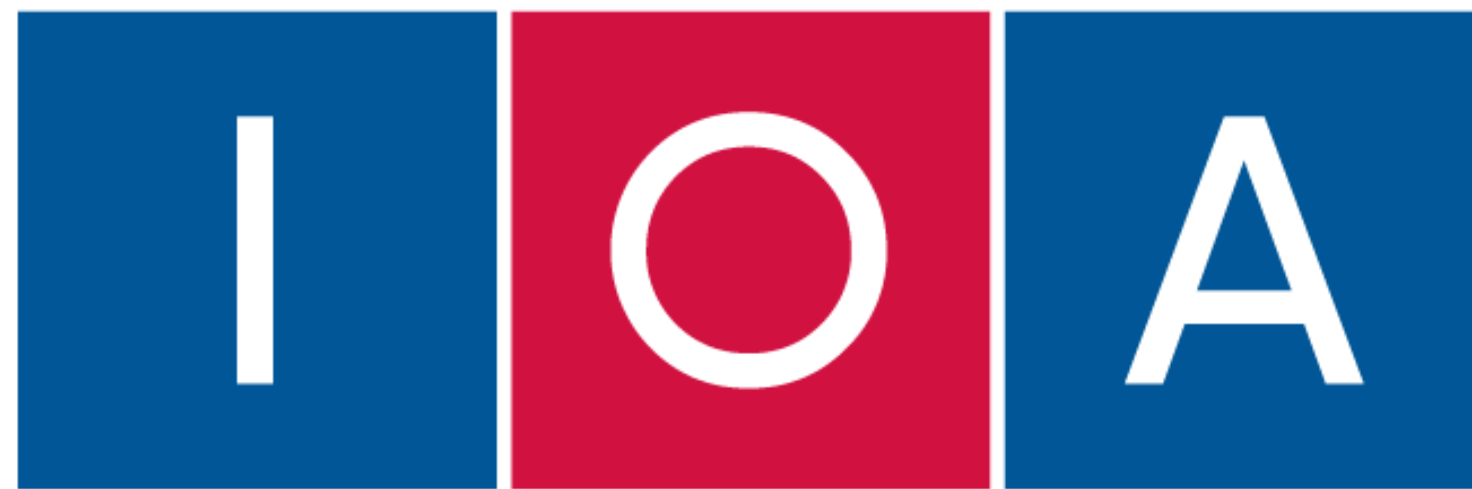




# *Space Coast Communities Association*

[www.scca-online.org](http://www.scca-online.org)

*19 November 2025*



INSURANCE OFFICE OF AMERICA



# Association Insurance Presentation

[ioausa.com](http://ioausa.com)





# Mike Mort

- Mike has been a Condominium Association insurance specialist since 2007
- Successfully navigated the insurance market, delivering more than 1000 insurance renewals
- Seen more than 500 insurance claims, from property damage to liability lawsuits
- Personally oversees \$2 billion-plus in property Insurance value



# Property Insurance: Association vs. Unit Owner Responsibilities

## Property & Wind Storm Insurance Liability Table

Identifies which party (Unit Owner or Association) is responsible for insurance coverage per State of Florida Statute 718

| <b><u>BUILDING ELEMENT TO BE INSURED</u></b>                            | <b><u>UNIT OWNER</u></b> | <b><u>ASSOCIATION</u></b> |
|---|--------------------------|---------------------------|
| <b>VERTICAL WALLS:</b>  |                          |                           |
| <b>Exterior:</b>  |                          |                           |
| Mesh, Lath, Sheathing, Glass, Block, Stucco (Painted)                   |                          | X                         |
| Studs & Insulation  |                          | X                         |
| Unfinished Sheet Rock (Drywall)   |                          | X                         |
| Interior Wall area of exterior wall (wall coverings)                    | X                        |                           |
| <b>Interior Unit Walls (including party walls)</b>                      |                          |                           |
| Block, Studs & Insulation   |                          | X                         |
| Unfinished Sheet Rock (Drywall)   |                          | X                         |
| Interior Wall Treatments (paint, tile, wallpaper)                       | X                        |                           |
| <b>Common Area Interior Walls</b>                                       |                          |                           |
| Block, Studs & Insulation   |                          | X                         |
| Unfinished Sheet Rock (Drywall)   |                          | X                         |
| Interior Wall Treatments (paint, tile, wallpaper)                       |                          | X                         |
| <b>HORIZONTAL WALLS (including ceilings):</b>                           |                          |                           |
| <b>Interior Unit Floors</b>   |                          |                           |
| Concrete, Framing, Insulation, Plywood.                                 |                          | X                         |
| Floor Coverings   | X                        |                           |
| <b>Common Area Floors</b>   |                          |                           |
| Concrete, Framing, Insulation, Plywood.                                 |                          | X                         |
| Floor Coverings   |                          | X                         |
| <b>Interior Unit Ceilings &amp; Roof Area</b>                           |                          |                           |
| Concrete, Framing, Plywood, Insulation, Sheet rock                      |                          | X                         |
| Paint and/or Texture Finish (popcorn, spackling, etc)                   | X                        |                           |
| <b>Common Area Ceilings &amp; Roof Area</b>                             |                          |                           |
| Concrete, Framing, Plywood, Insulation, Sheet rock                      |                          | X                         |
| Paint and/or Texture Finish (popcorn, spackling, etc)                   |                          | X                         |
| <b>ROOFING (interior units &amp; common areas):</b>                     |                          |                           |
| All Framing, Supports, Deckings, Insulation & Covering                  |                          | X                         |
| <b>UNIT INTERIOR FINISHES:</b>  |                          |                           |
| Electrical Fixtures, Appliances, Air Handlers, Water Heaters & Cabinets | X                        |                           |



# Flood Insurance: Association vs. Unit Owner Responsibilities

## Flood Insurance Liability Table

Identifies which party (Unit Owner or Association) is responsible for flood insurance coverage per the National Flood Insurance Program guidelines.

| <b><u>BUILDING ELEMENT TO BE INSURED</u></b>                            | <b><u>UNIT OWNER</u></b> | <b><u>ASSOCIATION</u></b> |
|---|--------------------------|---------------------------|
| <b>VERTICAL WALLS:</b>  |                          |                           |
| Exterior:   |                          |                           |
| Mesh, Lath, Sheathing, Glass, Block, Stucco (Painted)                   |                          | X                         |
| Studs & Insulation  |                          | X                         |
| Unfinished Sheet Rock (Drywall)   |                          | X                         |
| Interior Wall area of exterior wall (wall coverings)                    |                          | X                         |
| <b>Interior Unit Walls (including party walls)</b>                      |                          |                           |
| Block, Studs & Insulation   |                          | X                         |
| Unfinished Sheet Rock (Drywall)   |                          | X                         |
| Interior Wall Treatments (paint, tile, wallpaper)                       |                          | X                         |
| <b>Common Area Interior Walls</b>                                       |                          |                           |
| Block, Studs & Insulation   |                          | X                         |
| Unfinished Sheet Rock (Drywall)   |                          | X                         |
| Interior Wall Treatments (paint, tile, wallpaper)                       |                          | X                         |
| <b>HORIZONTAL WALLS (including ceilings):</b>                           |                          |                           |
| <b>Interior Unit Floors</b>   |                          |                           |
| Concrete, Framing, Insulation, Plywood.                                 |                          | X                         |
| Floor Coverings   |                          | X                         |
| <b>Common Area Floors</b>   |                          |                           |
| Concrete, Framing, Insulation, Plywood.                                 |                          | X                         |
| Floor Coverings   |                          | X                         |
| <b>Interior Unit Ceilings &amp; Roof Area</b>                           |                          |                           |
| Concrete, Framing, Plywood, Insulation, Sheet rock                      |                          | X                         |
| Paint and/or Texture Finish (popcorn, spackling, etc)                   |                          | X                         |
| <b>Common Area Ceilings &amp; Roof Area</b>                             |                          |                           |
| Concrete, Framing, Plywood, Insulation, Sheet rock                      |                          | X                         |
| Paint and/or Texture Finish (popcorn, spackling, etc)                   |                          | X                         |
| <b>ROOFING (interior units &amp; common areas):</b>                     |                          |                           |
| All Framing, Supports, Deckings, Insulation & Covering                  |                          | X                         |
| <b>UNIT INTERIOR FINISHES:</b>  |                          |                           |
| Electrical Fixtures, Appliances, Air Handlers, Water Heaters & Cabinets |                          | X                         |

# Policies Included in an Association's Insurance Program

- Property: wind, fire, lighting, water damage
- General Liability: slips, trips, and falls
- Director's & Officer's: protects the board, defense policy
- Crime: operating & reserve money
- Workers Comp: employee & volunteer
- Umbrella: additional liability coverage
- Flood: rising water or tidal surge



# Property Insurance Deductibles:

- Fire, water, lightning, property damage = \$ amount (\$2,500; \$5,000; \$10,000)
- Wind: hurricane, tropical storm, tornado = % (2,3,5%) of buildings insured value
  - Example: \$10M insurable value x 3% = \$300,000 deductible



# What is Director's & Officers Insurance....

## Why is it Important

- Protects the association from legal & financial fallout resulting in financial stability for the association
- Protects the personal assets of the board members and officers from lawsuits alleging wrongful acts, errors, or omissions while performing their official duties.

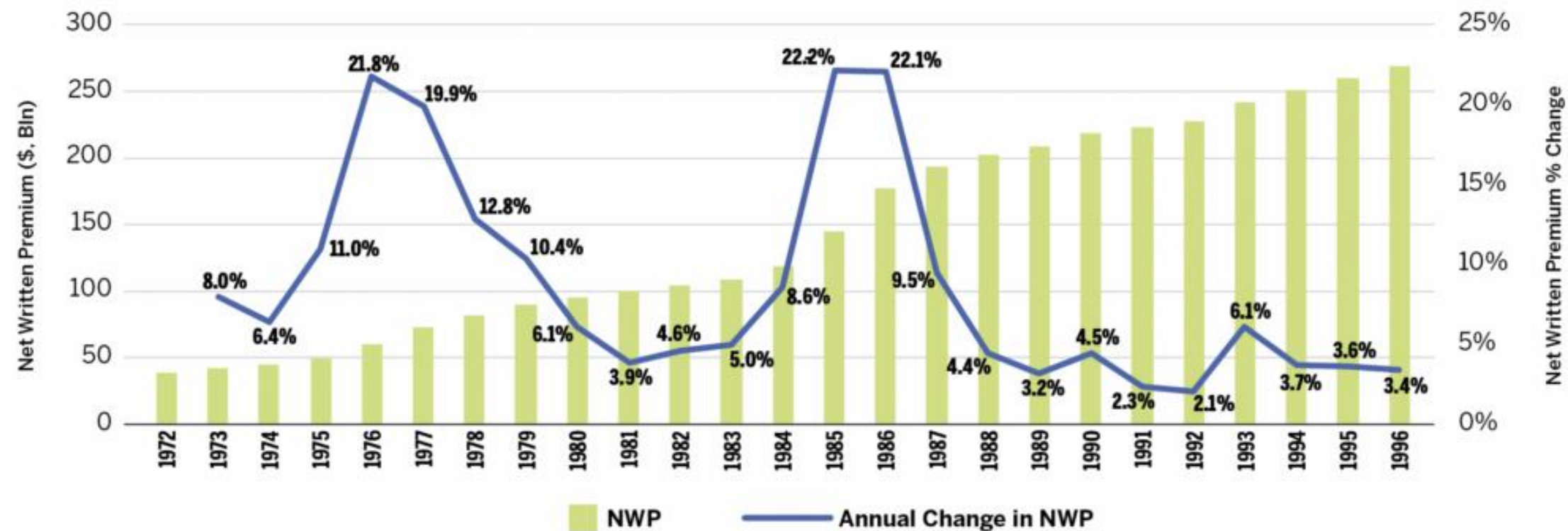
# Common Causes of D&O Claims

- The devil is the details. If you ignore the details, it is likely to come back to haunt the Association later. Failure to Follow the By-Laws.
- Out of Sight Out of Mind. Failure to Update or Memorialize Amendments.
- Penny Wise and Pound Foolish - Failure to hire the Critical Professionals
- Ignorance is Bliss. Failure to know and Follow New Laws
- We'll get to it later. Failure to Document and Keep Records
- It's the Principle of the Matter. Failure to put Emotions and Personalities aside.



# Insurance Market Cycles...Nothing New

FIGURE 1: U.S. P&C Industry—Annual % Change in Net Written Premium 1972-1996



Source: A.M. Best Aggregates & Averages

# What is an Insurance Appraisal?

- Insurance Appraisals are, in their truest form, **an Opinion of Value** for replacing the shell of the building. Not the interior finishes such as cabinets, flooring, wall coverings, appliances, bathroom finishes, kitchen buildouts.... These are the insuring responsibility of the unit owner in Florida.
- Determine the replacement cost (not market value) of the association's property (excludes land and unit owner responsibilities)
- NOT A REAL ESTATE MARKET APPRAISAL
- Per Florida Statute, Section 718, an updated appraisal must be conducted at least once every 36 months for Condominium associations
- Used to determine the property policy coverage. The property policy limits must be at least the value of the appraisal.



# Protecting Your Dreams

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