



Condominiums, Insurance, and the Duty to Repair



Maryland law requires a condominium association to have a master insurance policy to cover damage to the common elements as well as to private units within the condominium. The governing documents will state how much the coverage should be.

A condominium association is *not liable* for damage to a unit owner's personal property or to "improvements and betterments" installed in the unit after its original construction, or for substitute living expenses, unless the master insurance policy specifically covers them.

If you live in a condominium, you need protection against damage to your unit and your personal property. This damage could be caused by a defect in another unit, by a defect in the common elements, by an Act of God such as a violent storm or heavy snowfall, or by a defect in your own unit such as a burst pipe. You also need protection in case a defect in your unit causes damage to a neighboring unit, or to the condominium's property.

Unit owners have the legal duty to maintain their units in good condition at their own expense. Under the associations' governing documents, unit owners may also be liable to maintain utility lines serving only their unit even if those utility lines are located in the common elements.

Many, if not most, condominium associations urge their members to have an individual homeowners insurance policy that will cover damage to their personal property or to improvements and upgrades in their unit not covered by the master insurance. It should also cover the unit owner for damage a defect in his unit might cause to other unit owners or to the common elements. This is commonly called an "HO-6" policy.

Under Maryland law:

- If a defect originating in another unit damages your unit, the association must repair that damage, but they can charge the owner of the unit where the damage originated up to \$5,000 for the master policy deductible.
- If a defect originating in the common elements damages your unit, the association must repair that damage and bear the cost of those repairs (and the deductible).
- If a defect originating in your unit causes damage to another unit, or to the common elements, the condominium association must repair that damage, *but they can charge you up to \$5,000 for the master policy deductible*. This is why every unit owner should have HO-6 homeowners' insurance - with master policy deductible coverage.

Most master insurance policies do not cover mold or damage from 'slow' leaks, in which case there is no deductible. While the association still must make the repairs, who pays for the repairs is less clear; the governing documents may control the parties' duties.

A unit owner who disagrees with an associations' decision on who must pay for repairs and how much, should request a hearing with the board of directors. If the board ignores the request, or if the board upholds its original decision and the unit owner still disagrees, the unit owner may appeal that decision by filing a written complaint with the CCOC.

The CCOC does not provide legal advice. Readers who wish to know how the law applies to their specific situation should contact an attorney.