

2020 Regular Session

HOUSE BILL NO. 624

BY REPRESENTATIVE HILFERTY

CONDOMINIUMS: Provides for insurance coverage and liability relative to condominium units

1 AN ACT

2 To amend and reenact R.S. 9:1123.112(C), relative to condominiums; to provide with
3 respect to insurance policies; to provide with respect to the primary association
4 policy; to provide with respect to a unit owner's property insurance policy; to provide
5 relative to condominium restricted to nonresidential use; and to provide for related
6 matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 9:1123.112(C) is hereby amended and reenacted to read as follows:

9 §1123.112. Insurance

10 * * *

11 C. Insurance policies carried pursuant to Subsection A of this Section ~~must~~
12 shall provide that all of the following:

13 (1) ~~Each~~ That each unit owner is an insured person under the policy with
14 respect to liability arising out of the unit owner's ownership of an individual interest
15 in the common elements or membership in the association.

16 (2) ~~The~~ That the association's insurer waives its right to subrogation under
17 the policy against any unit owner of the condominium or members of his household.

18 (3) ~~No~~ That no act or omission by any unit owner, unless acting within the
19 scope of his authority on behalf of the association, will void the policy or be a
20 condition to recovery under the policy.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 624 Original

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Hilferty

Abstract: Provides with respect to the liability of condominium and unit owner association insurance policies.

Present law requires that condominium associations purchase property insurance on the common elements and units to insure against all risks of direct physical loss and requires the association to purchase comprehensive general liability insurance, including medical payments, covering all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with use, ownership, or maintenance of the common elements.

Present law provides that when a unit owner does purchase a policy and a loss is sustained, the association policy shall remain primary for the loss of common elements, structural elements and components, and fixtures and improvements of the condominium units. The unit owner policy shall be responsible for betterments and improvements installed by the unit owner. Proposed law clarifies present law to clearly state that present law applies when the association's policy and the unit holder's policy cover the same risk.

Proposed law provides that provisions of present law may be varied or waived when all of the units of a condominium are restricted to nonresidential use.

(Amends R.S. 9:1123.112(C))