

How Condo Owners should handle damage to their units and/or units below them:

Based on the conversation we had with Attorney Henry Jones:

 Summary: What Happens If Leondra Has a Claim in Her Unit?

Question Prompt:

The question was posed to attorney Henry Jones to walk through what would happen if Leondra's (Board Member and Condo Owner) water heater ruptured and damaged her unit and those below.

 Attorney Henry Jones' Breakdown:

1. Step 1: **Identify the Damage Type**

- If the damage is to Leondra's own personal property, her HO6 (condo insurance) would pay.
- If it's damage to common areas, the association's master insurance is supposed to cover it, minus the deductible, {which is on the condo owners who caused damage responsibility.}

2. For the units below:

- If the unit owners below you have their own HO-6 insurance, they can also file their own claims. (Or pay out of pocket if they don't have a HO-6 policy)

The process to follow is below and

 **Why Following the Correct Process is Critical**

Step	What to Do	Why It Matters
1. Condo Owner File their HO6 claim first	If they are the source of damage, notify your insurer and file the claim.	Establishes a paper trail, covers your personal damage, and fulfills your legal responsibility.
2. Notify HOA immediately	HOA needs to assess if common areas or other units are affected.	Early response can mitigate costs and determine whether the master policy applies.
3. Evaluate all damages vs deductible	Find out if total costs exceed HOA deductible. {only after insurance adjusters have looked at the damage}	If the damage is under deductible, the HOA may not file a master claim to avoid jeopardizing its insurance status.
4. Inform affected neighbors	Let them know to file their own HO6 claims.	Each unit's HO6 can pick up costs; it avoids centralized liability unless master insurance is triggered.
5. Document everything	Keep estimates, letters, emails, etc.	Required for claims processing, HOA accountability, and potential legal defense.
6. Prove or rule out negligence	HOA only goes after owners if gross negligence is evident.	Courts rarely side with the HOA unless intentional damage or willful neglect is proven.
7. Avoid unnecessary claims	Don't "just file to see if it's covered."	Even denied claims hurt the HOA's insurance record (frequency = risk of cancellation).

 **Additional Points Raised:**

- Debbie (Insurance Agent) added:
 - Multiple claims—even small ones—can lead to policy cancellation due to claim frequency.
 - Filing a claim to “just see” if it’s covered is still risky. Even denied claims cost the insurer to process.
 - Leondra pointed out that homeowner **should be held accountable** if their unit caused damage.
 - She questioned why no one **contacted the homeowner** whose water heater burst.
 - The board was reminded that legally, **you cannot pass a private owner’s repair costs** to the entire community unless it involves **common areas**.
 - She also advocated for contacting the construction-business-owning homeowner to recoup the **\$57,000 cost**.
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