



CONDOMINIUM vs. HOME OWNERSHIP

IT'S COMPLICATED!

Remember this saying: “If it looks like a duck, quacks like a duck, it's a duck!”? This may apply to a lot of things, but not so for dwelling units and AUI's ability to insure them.

Take for example, a townhome. It shares a lot of characteristics of a condominium – such as a shared wall – but it could be owned as a townhome that is ruled by a homeowners' association. Or it could be owned as a condominium that's governed by a condominium association.

Many times, the term “homeowner's association” and “condominium association” are treated as interchangeable terms, but LEGALLY, they are worlds apart.

The proof can only be found by doing a thorough search to determine whether your insureds are governed by a condo association or a homeowner association.

HOW?

1. When the insured purchases a dwelling, he or she should have received a “Rules and Regulations” or “Covenant Agreement” document that spells out the legal name of the association under which the dwelling is governed. If the dwelling is owned as a condominium, those documents will indicate that.
2. You should be able to do an internet search with the proper county auditor that will spell out the legal description of the dwelling in which the insured is occupying.

As a final note, be aware that our HO6 Condominium Insurance Program can ONLY insure condominiums.

If you have any questions about coverage eligibility for your insured, call Camille Buster at **803-451-5833**.

