

Georgia Code Section 44-3-107

Insurance Coverage

(a) The association shall obtain:

- (1) A **property** policy or policies affording **fire** and **extended coverage*** insurance for and in an amount consonant with the full insurable replacement cost, less deductibles, of all buildings and structures within the condominium. Regardless of the boundaries of the condominium units, the insurance required by this paragraph shall include, without limitation, all portions of each building which are common elements including limited common elements, all foundations, roofs, roof structures, and exterior walls, including windows and doors and the framing therefor, and all convertible space within the building. Such insurance shall cover the following items with respect to each condominium unit regardless of who is responsible for maintaining them under the condominium instruments:

****Extended coverage includes coverage for the perils of windstorm, hail, explosion, riot, civil commotion, aircraft, vehicles, smoke, vandalism, malicious mischief, theft, and breakage of glass. Please note that water damage is not included.***

- (A) The HVAC system serving the condominium unit;
- (B) All Sheetrock and plaster board comprising the walls and ceilings of the condominium unit: and
- (C) The following items within the condominium unit of the type and quality initially installed, or replacements thereof of like kind and quality in accordance with the original plans and specifications, or as they existed at the time the condominium unit was initially conveyed if the original plans and specifications are not available: floors and subfloors; wall, ceiling, and floor coverings; plumbing and electrical lines and fixtures; built-in cabinetry and fixtures; and appliances used for refrigeration, cooking, dishwashing, and laundry.
- Unless otherwise provided in the declaration, with respect to unfinished shell units conveyed by the declarant, the items in subparagraph (C) of the paragraph shall be insured by the condominium unit owner and the coverage required by this paragraph shall repair or reconstruct only those portions of the shell unit constructed by the declarant. With respect to any condominium units which have not been conveyed by the declarant at the time of an insured loss, the coverage required by this paragraph shall repair or reconstruct such units as they exist at the time of such loss. The association may exclude from coverage required by this paragraph improvements made by the condominium unit owners and structures covered by builder's risk insurance, such coverage to be in an amount consonant with the full replacement value thereof, but only during such period of time as the builder's risk insurance remains in full force and effect and only on the condition that the association is named as an additional named insured.
- (2) **A commercial general liability** insurance policy or policies affording coverage for bodily injury and property damage in an amount not less than \$1 million for a single occurrence and \$2 million aggregate. The policy or policies shall cover the association, the board of directors

and officers of the association, all agents and employees of the association, and all unit owners and other persons entitled to occupy any unit or other portion of the condominium for occurrences commonly insured against arising out of or in connection with the use, ownership, or maintenance of the common elements or other portion of the condominium which the association has the responsibility to maintain: and

(3) **Any additional types and amounts of insurance coverage as may be specified in the condominium instruments.**

(b) The association may obtain additional types and amounts of insurance as may be authorized by the board of directors.

(c) (For effective date, see note) In the event of a potential or submitted claim related to water damage or water peril on any insurance policy obtained by:

- (1) An association, and upon written request by a unit owner to the association, the association or its designated agent shall, within five business days from the receipt of such request, provide to such owner a copy of the association's certificate of insurance for all such insurance obtained by the association that may apply to such potential claim or submitted claim. Such request shall state an address to which such information shall be directed and shall specify whether such information shall be available to pickup, mailed, or sent by electronic communication along with specific address for mailing or electronic communication. When such claim related to water damage or water peril has been submitted, and upon written request by a unit owner to the association, the association or its designated agent shall, within five business days from the receipt of such request, provide the name, address and telephone number of the insurance adjuster, if one has been identified to the association; or
- (2) A unit owner, and upon written request by an association or its designated agent to a unit owner, the unit owner shall, within five business days from receipt of such request, provide to the association or its designated agent a copy of the unit owner's certificate of insurance for all such insurance obtained by the unit owner that may apply to the potential claim or actual claim. Such request shall state an address to which such information is to be directed and shall specify whether such information shall be available for pickup, mailed or sent by electronic communication along with the specific address for mailing or electronic communication. When such claim related to water damage or water peril has been submitted, and upon written request by the association to a unit owner, the unit owner or its designated agent shall, within five business days from the receipt of such request, provide the name, address and telephone number of the insurance adjuster, if one has been identified to the unit owner. Nothing contained in this subsection shall require an association to obtain insurance to obtain insurance related to water damage or water perils.

Amended by 2020 Georgia Laws 506, 1, effective 1/1/2021.

Amended by 2008 Georgia Laws 763, 1, effective 7/1/2008.

Georgia Code Section 44-3-94

Damage or destruction of units; restoration;

vote not to restore; allocation of insurance deductible

Unless otherwise provided in the condominium instruments, in the event of damage to or destruction of any unit by casualty covered under insurance required to be maintained by the association pursuant to Code Section 44-3-107, the association shall cause the unit to be restored. Unless otherwise provided in the condominium instruments, any funds required for such restoration in excess of the insurance proceeds attributable thereto shall be paid by the unit owner of the unit; provided, however, that, in the event that the unit owner of the unit together with the unit owners of the other units to which two-thirds of the votes in the association pertain agree not to restore the unit, the unit shall not be restored and the entire undivided interest in the common elements pertaining to that unit shall then pertain to the remaining units, to be allocated to them in proportion to their undivided interests in the common elements, and the remaining portion of that unit shall thenceforth be part of the common elements. Votes in the association and liability for future common expenses shall thereupon pertain to the remaining units, being allocated to them in proportion to their relative voting strength in the association and liability for common expenses, respectively. **To the extent provided for in the condominium instruments, the association may allocate equitably the payment of a reasonable insurance deductible between the association and the unit owners affected by a casualty against which the association is required to insure; provided, however, that the amount of deductible which can be allocated to any one unit owner shall not exceed \$5,000 per casualty loss covered under the insurance required to be maintained by the association under this article.** The existence of a reasonable deductible in any require insurance policy shall not be deemed a failure to maintain insurance as required by this Code section.

Amended by 2013 Georgia Laws 289, 1, effective 7/1/2013.

Amended by 2004 Georgia Laws 535, 4, effective 7/1/2004.