

EVERYTHING YOU NEED TO KNOW ABOUT PURCHASING CONDO INSURANCE



Everything You Need to Know About Purchasing Condo Insurance

1

Introduction

2

The Differences in Ownership:

Condo, Townhouse, and Apartment

3

Tennessee Condominium

Insurance Requirements

4

Condo Insurance Coverage

5

Other Insurance Options

for Condo Owners

6

Condo Insurance Discounts



Everything You Need to Know About Purchasing Condo Insurance

Purchasing insurance is a form of financial protection. It's designed to help you when unforeseen accidents cause damages that require large sums of money to fix or replace. The type of insurance you purchase goes a long way in the kind of coverage you receive.

As a property owner, you want to protect your investment and your belongings. When that property is a condominium, you'll want to purchase individual insurance specifically for your needs because condos are slightly different than owning a detached home or townhouse. There are master policies that provide some coverage, but it doesn't cover all. Get all the information you need to purchase the right amount of condo insurance.

The Differences in Ownership:

Condo, Townhouse, and Apartment

Ownership looks differently across the board and knowing which one will profoundly impact the insurance you purchase.

It's estimated the 69 million Americans live in condominiums

[Source](#)

Condo vs. Apartment

Architecturally apartments and condos can take on the same exterior. They could be part of a high-rise or a series of buildings. The most significant difference is ownership. Apartments are rent only. You don't own the unit you live in and will often pay a maintenance fee to a landlord or leasing office for exterior upkeep.

Condominiums are individually owned, but will sometimes have communal areas like walkways or land when you purchase a condo, you are buying as part of a share. That means your neighbors within the building are co-owners. Together you share an interest in maintaining the whole of the building. Usually, this ownership is regulated by a Homeowner's Association.

Condo vs. Townhouse

Townhomes are traditionally built in rows with the option of sharing one or both walls. Most townhomes are expected to come with at least two floors. Condos vary structurally and in size. Both properties have HOAs, but a condo might expect to pay a slightly higher rate per month because of lawn care, trash, and other services.

What you own in a condo is everything inside the unit. The rest of the building belongs to the association. Owning a townhouse makes you responsible for exterior damages and requires a higher insurance rate to cover the losses. Both HOAs will weigh in on decisions to try and upgrade the property's exterior. But, ultimately a townhouse will be financed by the proprietor of the unit.

Tennessee Condominium

Insurance Requirements

Before we talk about what coverage comes with your condo insurance policy, it's important to take a closer look at the state regulations for what is required to be covered by your condo's association. According to Tennessee law, the condominium association must purchase insurance, sometimes referred to as a “master policy.”

BEFORE YOU BUY

Before you buy the property, make sure you have confirmed they have done so for your protection. There are two areas that should be covered under their policy:

- **Property insurance** on the common areas of the property in case of direct loses to those communal spaces.
- **Liability insurance** to cover the common areas of the property in the instance of medical issues, bodily injury, or death in these areas.

If you have questions about what you own and what is considered "communal," speak with your estate agent or condo association. They should be able to provide more information.

Other Coverage Required by Tennessee

As we mentioned earlier, the architecture can change based on the building in which they are located. That being said, if the building is multi-story, the insurance policy by the association must include the units. While that may sound like a win for the owners, if you were to make improvements at your own cost, it would be exempt from their coverage.

Condo Insurance Coverage

Condominiums are often owned, which means you need to take out adequate insurance for protection. But, since the building is co-owned, what comes with condo insurance is different than homeowners insurance.

Personal Liability Coverage

Personal liability coverage helps protect you if someone is injured inside your condo. The coverage you received is applied towards legal assistance if you are sued or medical bills.

Guest Medical Coverage

Having visitors to your condo means you need guest medical coverage. An accident that occurs to a guest that is not directly your fault can be filed under this portion of your insurance.

Building Property Protection

This portion of the coverage is all about protecting the interior structure. It can help if there are damages to the walls or any other built-in structure like a bookcase for example.

Personal Property Coverage

You can protect your personal belongings with private property coverage. Appliances, furniture, electronics, and other items are potentially covered by theft or damage if the incident falls under a covered claim.

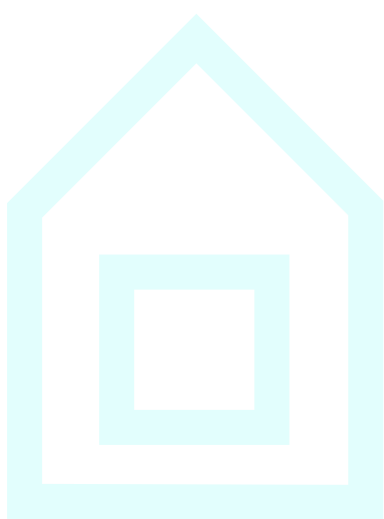
KEEP IN MIND

When you are purchasing your coverage, you have the option to choose your limits and deductibles on all of the above. What you want will affect the monthly costs. [The master policy from your condominium may or may not cover the walls and original fixtures.](#) If the master policy does not, you might want to negotiate a more comfortable coverage to keep you protected.

Other Insurance Options

for Condo Owners

When it comes to insurance, you want to get the most out of protecting your investment. There are additional options to add layers of protections just where you need it.



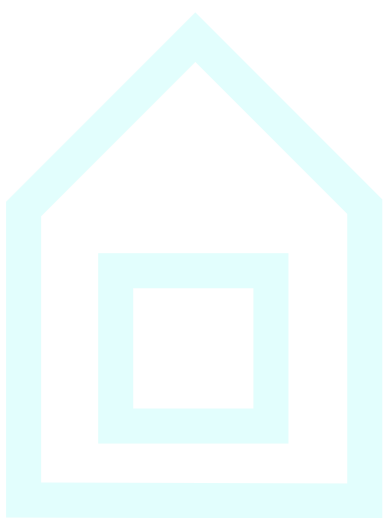
FLOOD INSURANCE

You will want to check if the master policy covers flooding. If it doesn't, then you might want to consider taking out flood insurance. Many owners don't anticipate flood damage until it's too late.



UMBRELLA INSURANCE

Umbrella insurance is the protection you need in case an event occurs that exceeds your policy limit. The umbrella insurance can add more financial coverage. It also has an opportunity to cover legal expenses if you are sued for libel or slander.



SCHEDULED PERSONAL PROPERTY

Sometimes the personal property coverage isn't enough. Reading through the policy you might find that you need more coverage for belongings like your wedding ring or valuable antiques. Get [scheduled personal property](#) if you own expensive high-risk items.



Condo Insurance Discounts

There are ways to [save money on your monthly condo insurance premiums](#). Investing in a condo comes at a cost. Fortunately, there are ways you can get the protection you need and save.

MULTI-POLICY DISCOUNT

The chances are high that you have more than one insurance premium to pay for such as your car or life insurance. Bundle them together through one provider, and you can save anywhere from 5%-15%. That could equal out to hundreds of dollars a month.

SAFETY EQUIPMENT DISCOUNT

Insurance providers like to reward those who take the extra steps to protect their investment by purchasing safety devices. These could include smoke detectors, fire extinguishers, and home security alarm systems. Your provider can give you more information on what qualifies.

HOMEBUYER DISCOUNT

New builds are less likely to have structural issues. They are equipped with better piping, electrical wiring, and roofing systems. It should take some time for them to experience natural wear and tear. Some insurance providers will offer a discount for the building being new.

55+ AND RETIRED

Anyone who is older than 55 years of age and officially retired can save around 25% on their premium. The only caveat is they can't be seeking full-time employment.

Tennessee Condo Insurance



Get coverage today, by contacting Royce Williams. We can walk you through premium options to help you find the right amount of protection.

GET A FREE QUOTE

RESOURCES

- <https://www.allstate.com/condo-insurance/condo-insurance-discounts.aspx>
- <https://www.allstate.com/condo-insurance/condo-insurance-discounts.aspx>
- <https://www.allstate.com/tr/condo-insurance/whats-covered-association-policy.aspx>
- <https://www.insuringnashville.com/condos/do-you-need-condo-insurance/>