BOYD | INSURANCE & INVESTMENTS

Homeowners Association Insurance Program

A Reference Guide for HOA Managers and Board Members

Florida Statute 720

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Your Safety Net, Our Expertise

We understand that life is full of uncertainties, and that's why we are dedicated to providing you with professional and reliable insurance coverage. Whether it's protecting your home, safeguarding your business, or securing your valuable assets, we are here to offer you peace of mind with our comprehensive Bradenton insurance services.

Your Trusted Insurance Agency

Boyd Insurance & Investments is a family-owned business with more than 50 years of experience with the ability to represent a broad selection of insurance carriers and investment products. Not only can we provide the best coverage at the most competitive pricing, but we are here to help you, your family, or your business through all of life's seasons.

Russ Dozeman

Russ Dozeman is an experienced Commercial Insurance Advisor with a strong background in banking, honing his skills over 30 years. With a passion for providing exceptional customer service, Russ approaches each client interaction as an analyst, ensuring clear communication and understanding.

With a background in banking, he seamlessly transitioned into the Commercial Insurance industry, leveraging his sales expertise and delivery skills to provide exceptional service to clients.

Having spent the last 28 years residing in Florida, Russ's journey from Michigan to the Sunshine State has been marked by a commitment to honesty and excellence.

What Are the Main Duties of an Association Board?

Homeowners Associations are governed by a Board of directors. They manage the day-to-day operations of the Association and ensure that the community functions properly. Thus, the overall success of a community will depend on the effectiveness of its Board members. If you live in an HOA, here is a primer on the complete duties of Board members.

Living in an HOA has many perks including attractive amenities, convenient services, and high property values. To enjoy these, though, an association must be able to maintain structure, order, and peace. This is where the Board of directors comes in. If you want to understand the value they provide, here is a list of Board member responsibilities.

1. Ensure Compliance to Laws and Governing Documents

One of the main duties of Board members is to ensure that their association complies with federal, state, and local laws. Likewise, a Board must make sure that the community is following its governing documents.

2. Maintain Common Areas

Board members are responsible for maintaining common areas such as clubhouses, swimming pools, basketball courts, and gyms.

The Board also maintains the structural components of shared buildings such as the roof, exterior walls, and interior fixtures. They must facilitate maintenance work to ensure that all common areas are functioning.

3. Enforce Association Rules and Regulations

It is the Board's duty to ensure that each and every member of the community abide by its rules and regulations. Board members must follow the provisions of their governing documents when dealing with homeowners who violate the community's rules and regulations.

4. Manage Homeowners Finances

A successful community is one that is financially stable. Thus, Board members are responsible for managing the finances of the association. Essential money-related tasks include preparing the annual budget and other financial reports, collecting assessments, and managing reserve funds.

5. Conflict Resolution

Misunderstandings, disagreements, or fights within a community cannot be avoided — whether it is between homeowners, Board members, or both. In order to maintain peace and order, Board members must engage in conflict resolution. They should be able to mediate and resolve conflicts to avoid legal cases or the involvement of law enforcement, if possible.

Legal Duties of Homeowners Board Members

According to 720 of the Florida Statues, residential communities that operate as an association must be incorporated. The community's governing documents must also be recorded in their local county office.

Board members are then placed in a position of trust. Thus, Board members have a fiduciary duty to the Homeowners. This means that they must legally act in the best interests of the community. Here are the three fiduciary duties of the Homeowners Board:

1. Duty of Care

The Board is legally obliged to make informed decisions. Board members must do the research — utilizing all the information that is available to them — before making a decision or voting on a certain matter.

2. Duty of Loyalty

Board members must act in good faith and for the benefit of the entire community. Their decisions must not be based on personal interests. They also cannot use their position as Board members for private gains.

3. Duty to Act Within the Scope of Authority

Board members should act within the scope of their authority. They cannot use their position, or exercise their power, on matters that are outside their duties and responsibilities.

4. Board Members' Protection from Liabilities

Since Board members take on a lot of responsibilities without any salary or compensation, they are given protection from personal liabilities. An HOA community will have these protections clearly stated in their governing documents. Most associations also purchase insurance (Directors & Officers Liability) to protect the Board from potential liabilities.

In addition, there are also laws that provide further protection. For instance, the business judgment rule is widely used in HOA-related cases. According to the business judgment rules, Board members can be protected from bad decisions as long as they acted in the best interests of the community.

Specific Roles of Board Members

Apart from the general duties of the Homeowners Board, its members also take on specific roles. Here are the main responsibilities of each role.

1. President

The President serves as the leader of the Board. They also represent the community as a whole. Thus, the President works closely with other Board members, homeowners, vendors, managers, and so on.

The main responsibilities of the President include presiding over the Board meetings and facilitating the decision-making process; signing contacts, checks, and other legal documents; serving as a spokesman for the community; and taking charge of the day-to-day operations.

2. Vice President

The Vice President takes charge in the absence of the President. However, the Vice President only has this authority if the President is unavailable. Depending on the association, the Vice President may have additional duties.

For instance, the Vice President can serve as the head of the architectural review committee, maintenance committee, and other Homeowners committees. The Vice President can also liaise with the members of these committees.

3. Treasurer

The Treasurer oversees the financial operations of the association. They are in charge of developing the budget, monitoring income and expenses, collecting assessments, issuing payments to vendors, preparing financial reports, and facilitating an audit at the end of a fiscal year. If there is a finance committee, the Treasurer can also serve as the head.

4. Secretary

The Secretary creates the Board meeting agenda (with the President), records the minutes of Board meetings, and ensures quorum. They also send notices for Board meetings, ensure compliance with the governing documents, maintain bank information and other important documents, and store homeowner and maintenance records.

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Insurance Requirements and Recommendations for a Homeowners Association (720)

Fl Statute 720 is the chapter of law that oversees Homeowners Associations in the State of Florida.

An HOA is governed by a declaration (along with other association governing documents), and the legal description in the deeds for the units will include a reference to the declaration. The declaration of will have a statement submitting the property to Homeowners ownership and the name by which the Homeowners property is to be identified.

In a Homeowners Association, the common areas are separate from the homes. The Homeowners own a divided share of the common elements (shared portions) of the Association. This means, for example, the unit owners all own a divided share of the pool, clubhouse, activity courts, etc.

1 **Property Insurance** (regardless of any requirement stated in the declaration) for coverage by the Association on Association-Owned buildings (not individual homes) for full insurable value, replacement cost, or similar coverage. Coverage amounts should be based on the replacement cost of the property to be determined by an independent insurance appraiser or update of a prior appraisal but not required under FL Statute 720.

Required Coverage under FL Statute 720

Property Coverage Terms and Considerations:

- Replacement Cost vs Actual Cash Value
- Ordinance or Law Coverage
- Hurricane Deductible vs Wind/Hail Deductible
- Deductibles: Per Occurrence vs Per Calendar Year
- Admitted vs Surplus Lines Carrier
- "Special" Form vs "Basic" Form

2 **General Liability Insurance** helps cover expenses if the Association is court-ordered to pay due to an accident that occurs *when someone is injured in the common areas of the Association*. This is also referred to as Trip-and-Fall Accidents.

Required Coverage under FL Statute 720

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3 **Directors & Officers Liability Insurance (D&O)** protects the personal assets of corporate directors and officers, and their spouses, in the event they are personally sued by unit owners, employees, vendors, competitors, investors, customers, or other parties, for actual or alleged wrongful acts while managing the Association.

Suggested but not required Coverage under FL Statute 720

4 **Flood Insurance** covers an event which is defined as any flooding (rising water) that affects two or more acres of land or two or more properties. Typically, the building age, construction, flood risk zone, desired deductible, the type of coverage and the insurance company you choose will determine your cost.

Required Coverage under FL Statute 720 (Dependent upon the Flood Zone Rating)

5 **Workers Compensation** covers employees (if any), volunteers and vendors that are hired directly by the Board or by the management company. If an employee, volunteer or vendor's employee is injured, the law still allows the injured employee to sue the Homeowners Association for loss of wages and medical expenses.

Suggested but not required Coverage under FL Statute 720

6 **Employee Theft / Crime insurance or Fidelity Bonding** covers the association in the event that person(s) who controls or disburses funds of the association commits theft or fraud.

The insurance policy or fidelity bond should cover the maximum funds that will be in the custody of the association or its management agent at any one time. Persons who control or disburse funds of the association include, but not limited to, those individuals authorized to sign checks on behalf of the association, the President, secretary, and treasurer of the association.

Suggested but not required Coverage under FL Statute 720

7 **Umbrella / Excess Liability** provides extra insurance protection beyond existing limits and coverages of other underlying policies. These underlying policies can include General Liability, Directors & Officers, Commercial Auto and Workers Compensation. Umbrella insurance can provide coverage for injuries, property damage, certain lawsuits, and general liability situations.

Suggested but not required Coverage under FL Statute 720

8 **Legal Defense Gap** will pay the actual costs of legal defense in cases when a liability claim is denied. This policy will not over any penalties or awards resulting in a claim settlement.

Suggested but not required Coverage under FL Statute 720

3rd Party Documentation / Reports

1 Insurance Appraisal:

Adequate property insurance, regardless of any requirement in the declaration of Homeowners for coverage by the association for full insurable value, replacement cost, or similar coverage, should be based on the replacement cost of the property to be insured as determined by an independent insurance appraisal or update of a prior appraisal.

This is the fiduciary responsibility of the Association's Board to protect the financial interests of the unit owners.

In times of high inflation or housing supplies, it may be advantageous to obtain a 3rd party insurance appraisal more frequently than every 3 years.

A thorough insurance appraisal should contain:

1 Certifications, education, experience and licenses of the Appraiser
2 Scope of work, description of the property, maps and pictures
3 Detailed description of the building, including age, square footage, height, building materials, condition, location & site improvements

The insurance appraisal should not include:

1 valuation adjustments for depreciation,
2 valuation adjustments for demolition
3 valuation adjustments for debris removal

Report Valuation Types:

1 Flood Replacement Value:
The estimated replacement cost in the event of a flood peril (rising water)

2 Wind / Casualty Replacement Valuation:
The estimated replacement cost in the event of wind or fire damage.

The cost of reconstruction is based on the building codes in effect when the building was originally constructed.

3 "As-Is" Valuation:

The cost of replacement using "like kind" materials based on the current condition.

4 Current Building Code Valuation:

Ordinance or Law is the cost to reconstruct the building up to the current building codes.

Ordinance or Law = Current Building Code Valuation - Wind / Casualty Replacement Value

Suggested but not required Coverage under FL Statute 720

2 Reserve Study:

A reserve study is a long-term financial planning tool that analyzes the physical condition of major components of the Association property, and their estimated repair or replacement costs.

Typical building components include:

(1) The roof.
(2) Load-bearing walls or other primary structural members.
(3) Floors.
(4) The foundation.
(5) Fireproofing and fire protection systems.
(6) Plumbing.
(7) Electrical systems.
(8) Waterproofing and exterior painting.
(9) Windows.

A properly created Reserve Study will minimize the risk of unexpected special assessments and/or the need for bank loans.

A reserve Study typically involves an on-site inspection to calculate the following:

1 The estimated remaining life of each common element / asset.
2 The estimated cost of repairing or replacing each common element / asset.
3 The amount of funds that should be set aside annually to fund the replacement of these assets.

Suggested but not required Coverage under FL Statute 720

3 Wind Mitigation Reports:

A Wind Mitigation report details the roof characteristics, roof age and how the roof is connected to the exterior walls. The Association may qualify for a hurricane / wind premium discounts on its property insurance policy with a properly completed Wind Mitigation report. A wind mitigation inspection should be required for buildings built prior to 2002, since that is when building codes substantially changed. A report is accepted by insurance companies if the report is less than five years old.

A wind mitigation inspection looks at eight key areas of your roof to determine its ability to withstand strong winds and water intrusion. The roof is the first line of defense against wind and rain which is why wind mitigation inspections focus on your roof.

Wind Mitigation reports are recommended to be completed and/or updated at least every five years.

A properly completed wind mitigation report should include the following:

1. **Construction Year:** The year the building was built (for building code purposes)
2. **Roof Replacement:** The year the roof was totally replaced.
3. **Roof Covering:** the type of roof covering (shingle, tile, etc.) and age of the roof
4. **Roof Deck:** the material under the roof covering, the type and spacing of nails.
5. **Roof to Wall Attachment:** the method used to attach the roof to the side walls.
6. **Roof Geometry:** the shape and slope of the roof
7. **Secondary Water Resistance:** the type of material between the roof covering and roof decking.
8. **Opening Protection:** Additional protections on sunroofs, garage doors, windows, doors etc.

In addition to protecting your buildings, a popular reason for getting a wind mitigation inspection is to save money on insurance. The more wind-resistant features, the potential for broader coverages and premium discounts.

4 4-Point Inspection:

A 4-point inspection looks at the 4 major systems of an Association owned building:

1 Roof:

The age, roofing materials and condition

2 Electrical System:

The age, materials and condition of the electrical wiring and electrical panel / circuit breaker box

3 Plumbing:
What is the condition of the pipes, fixtures or hoses and have they been updated?

4 Heating / Ventilation / Air Conditioning (HVAC)

An insurance company wants to know that an older building has been well maintained and the major systems are in good working condition.

Insurance Related Considerations

1 Admitted vs Surplus Lines Carrier:

Admitted Carrier:

The Carrier is regulated by the State of Florida
All Forms and Rates must be approved by the State of Florida
The State of Florida requires that certain coverages be included in the policy.
The original policy is renewed on an annual basis if the policy is in good standing.
The Florida Insurance Guarantee Fund (FGIC) will step in to continue a claim if the Carrier does not have the financial ability to complete the claim up.

Surplus Lines Carrier:

The Carrier is only monitored by the State of Florida
All Forms and Rates are set by the Carrier.
The Carrier determines the coverages based on market conditions.
Every year, the insured obtains a new policy (not a renewal of the existing policy)
The Florida Insurance Guarantee Fund (FGIC) does not become involved if a Surplus Lines Carrier cannot financially complete a claim.

2 Safety Committee:

Homeowners' and community safety is crucial. This committee helps keep the community safe through:

Use of a Loss Prevention checklist with regularly scheduled “walk-arounds” to limit trip and fall or security issues (see attached form).
Nighttime patrols
Camera and light installations.
This committee can also consult with local law enforcement and share crime prevention information with homeowners.

3 Property Valuations:

Replacement Cost is the cost to construct or replace at a given time, an entire building of equal quality and utility, using prices for labor, materials, overhead, profit and fees in effect at the time of the appraisal or peril.

In Florida, policies are written using Replacement Cost to Limits, meaning the policy will not pay more than the coverage limit, even if the replacement cost of construction is higher.

Actual Cash Value is the cost to replace the item minus any depreciation. An actual cash value policy can put you in a tight spot if your building cost more to replace or repair than your policy

pays out. Depreciation values for buildings can be quite large, so make sure that you have adequate reserves and be prepared to pay some out-of-pocket for a loss if you have an actual cash value insurance policy.

Agreed Upon Value can be an optional coverage on a commercial property form that provides an amount that the insured and insurer agree the property is worth. This requires submitting a statement of values on an annual basis. This option is often used to avoid coinsurance penalties.

4 Insurance Forms:

Insurance policies can be written using 3 different types of forms in Florida. Care should be given to understand the type of form offered as each form differs in coverage:

(1) Basic Form of insurance coverage is a policy that will only cover the insured for the direct loss from perils specifically named in the policy.

The named perils covered in a Basic Form typically include the following:

Fire, Lightning, Windstorm or Hail, Explosion, Smoke, Vandalism, Aircraft or Vehicle Collision, Riot or Civil Commotion, Sinkhole / Collapse and Volcanic Activity

(2) Broad Form covers everything the Basic Form covers, but it also includes many common perils.

In the Broad Form insurance policy, you will also see the following coverages:

Burglary/Break-in damage, Falling Objects (like tree limbs), Weight of Ice and Snow, Freezing of Plumbing, Accidental Water Damage, Artificially Generated Electricity

(3) Special Forms policies include coverage for direct loss from all perils unless they are specifically excluded in the policy. Common exclusions may include:

Ordinance of Law, Earthquake, Flood, Power Failure, Neglect, War, Nuclear Hazard and Intentional Acts.

Citizens Property Insurance Corporation (FL) typically writes its property policies on a Basic Form. It is advised to have the insured obtain a secondary policy to include many coverages not included in a Basic Form. This secondary policy is typically referred to as a Wrap or DIC (Difference in Conditions) policy.

5 Ordinance or Law:

Ordinance or Law assists in paying for demolition costs & or increased construction costs as a result of newer building code enforcement or ordinances when repairing or replacing your building after a covered insurance loss.

A traditional insurance policy in Florida pays for the reconstruction of a building due to damage from a coverage peril using the building codes based on the date the building was originally constructed.

Ordinance or Law applies separately from building coverage to cover the cost to rebuild to a level that it meets the most up-to-date building codes.

Ordinance or Law Coverage Options:

Coverage A:	Covers the costs of the undamaged portion of the building. (required to obtain a building permit)
Coverage B:	Demolition costs to the undamaged portion of the building.
Coverage C:	Increased cost of construction / reconstruction

6 Coinsurance:

Coinsurance is the relationship between the insured value and the building's true replacement cost value.
A coinsurance penalty could arise if a building is underinsured.

Coinsurance options are 80%, 90%, 100% or Waived-Agreed Up Value.

For example: if 80% coinsurance applies to your building, the limit of insurance must be at least 80% of the building's value. If the policy limit you have selected does not meet the specified percentage, your claim payment will be reduced in proportion to the deficiency (coinsurance penalty).

Coinsurance highlights the need for a valid, current insurance appraisal to understand the value of your building.

If an association insures a building for less than the amount required by the coinsurance clause, they are essentially agreeing to retain part of the risk. In this case, the association becomes a "co-insurer" and will share any loss with the insurance company according to the coinsurance formula.

7 Volunteer Activity:

Activities such as light maintenance, seasonal decorating, potlucks & galas are very common in residential communities. The community should protect itself if volunteers are injured during a Board approved activity.

There are 2 types of coverages available:

1 Workers Compensation:

A Workers Compensation policy can include the "Volunteer Endorsement" which pays the medical expenses and lost wages of a volunteer. If the volunteer should become injured during a Board approved activity.

2 Accident / Volunteer Policy:

An Accident policy will pay the medical expenses (up to a predetermined limit) should the volunteer become injured in a volunteer activity. Typical policies cost between $2.25 and $2.50 per volunteer with a $500 minimum annual premium.

8 Legal Defense Coverage:

If your association is sued and then denied coverage by your General Liability, Directors & Officers, or Property carrier, legal defense gap coverage will provide an unlimited defense through a trial with no deductible.

Legal expense insurance pays the attorney's hourly fee to defend your claim and other expenses related to the claim, such as expert witness fees, court reporter costs, trial exhibits, photocopying charges, mail and other legal expenses incurred in the defense of your claim.

It does not pay any damage awards, nor will it pay any judgments or settlements for which you may be responsible.

9 The 8 "C's" Of Insurance:

Commodity:

An insurance policy is not a commodity. Each policy or is different and cannot be viewed as identical. Each policy or quote has its own unique terms and coverages.

Coverage:

Are the buildings as structures properly covered?
Insurable Value Replacement Cost Appraisal – every 3 years.

Claims:

Does the insurer have a solid record of paying claims on a timely basis?

Cost:

This is important, but often, you get what you pay for.

Charter:

How is the Insurance Company monitored by the State of Florida? Admitted (Standard) vs Excess & Surplus lines (E&S)

Comparison:

It is suggested every 2-3 years, require your Agent obtain 3 insurance bids/proposals.

Communication:

Is there more than one contact person in the Agency that can answer your questions?
Do you have mid-term and annual renewal meetings?

Commitment:

Partner with an Agent that is committed to your client.
Look for expertise and long-term relationships.

Homeowners Unit Owners Coverage

If you own a Home, You need Homeowners insurance.

Even though Homeowners insurance is similar to homeowners and renters' insurance, there are some big differences. And some of it gets complicated. Insurance for your home is also called HO-3 insurance.

What Is Homeowners (HO-3) Insurance?
Homeowners insurance protects your belongings if they are stolen or damaged (wind, fire, or theft). It also gives you liability protection if someone is injured on your property. Homeowners insurance provides financial protection for repairs to the specific home you own.

The HOA insurance (Master Policy) only covers the Association owned buildings and common areas. It won't pay for your home or personal property repairs in the event of a peril (wind, fire, or theft).

Is Homeowners Insurance Required?
Most mortgage companies require you to have Homeowners insurance. Many HOAs require it also.

If you own a home, you need Homeowners insurance. The last thing you want is to have to dip into your savings or retirement nest egg to pay to replace your belongings or make repairs.

What Does Homeowners Insurance Cover?
Homeowners insurance protects your finances from natural disasters like fire, hail, windstorms and theft. Once you pay your deductible, your insurance company will start reimbursing you.

Here's a list of what Homeowners insurance typically covers:

1 Personal Belongings:

If a wind, fire or theft event damages your personal (furniture, clothes, appliances and electronics), Homeowners insurance will help pay for repairs or to replace your items. Also, higher-end items like art and jewelry are only covered up to a certain limit. If you need more coverage, you may want to look into umbrella insurance.

You should also decide if you want actual cash value coverage or replacement cost coverage.

Actual cash value takes into account depreciation, so you won't get as much for damaged items.
Replacement cost coverage will pay to replace personal property that was stolen or damaged by a covered peril.

2 Building / Home Damage:

You're also covered if your home is damaged by a covered peril. This would include things like the roof, walls, flooring, sinks, cabinetry, tiles and other fixtures.

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3 Additional Living Expenses:
If a storm destroys your home and it's your primary residence, you may need some help with living expenses. Additional living expenses coverage, also called *loss of use*, can help cover these unexpected costs.

4 Personal Liability:
Liability coverage will cover legal and medical expenses related to injuries on your property. This could include Trip-and-Fall accidents or even dog bites.

What Does My HOA Master Insurance Cover?
Your HOA insurance (also called a master policy) does cover a few things—common areas (swimming pools, tennis courts, lobby, etc.), injuries that take place in those common areas, and any damage to the Association owned buildings from disasters or storms.
It won't protect your unit or your stuff. That's what Homeowners insurance (HO-3) is for.

How Much Homeowners (HO-3) Insurance Do You Need?
To figure out how much Homeowners insurance you need, here are a few things to consider:

1 Do an inventory of all your personal belongings. Create a spreadsheet you can keep somewhere safe (like cloud storage) so it doesn't get lost or destroyed during a disaster. Take photos and videos of everything you own so you have a record if you ever need to provide it to your insurance company during the claims process.

2 You will also want to look at liability limits. Most plans offer a range starting at $100,000 up to $300,000. Research how much you think you'll need based on assets that could be at risk in a lawsuit. Also look at local construction costs to get an idea of how much it would cost to rebuild your Homeowners.

3 If your Home is in a flood zone, look into flood coverage. Many believe their standard property insurance policies will cover them in the event of flooding. A typical Homeowners insurance policy will not pay for flood damage.

Optional Homeowners Insurance (HO-3) Coverages:

1 Loss Assessment (also called special assessment coverage) is an extra layer of coverage that kicks in if your HOA insurance policy hits its limits.

Your HOA might make each Homeowners owner pay a special assessment to cover costs that are above the master policy limit. Loss Assessment coverage can help cover some or all of these expenses, so you don't end up paying out of pocket.

2 Replacement Cost Coverage - You want to make sure you're reimbursed for the full amount it would cost to replace your damaged property, you should obtain replacement cost coverage.

4 Identity theft protection - You can add identity theft protection to your Homeowners insurance. This will help cover lawyer fees if your identity is ever stolen.

4 Scheduled Personal Property - You can obtain greater limits for higher-end items like art, collectables, and jewelry.

5 Unoccupied (or Vacant) Coverage - If you're away from your Homeowners for a period of over 30 days, your insurance company may not approve claims for damage that occurred while you were vacant. If you're only in your Homeowners for part of the year, you should look into getting unoccupied or vacant coverage.

6 Water Backup Coverage - This is exactly what it sounds like—extra coverage in case your sump pump explodes, and water backs up in your Homeowners.

How Much Is Homeowners Insurance?

The cost of Homeowners insurance ranges dramatically. Insurance company's base rates on many factors:

Where you live,
The value and age of your Homeowners,
The age of the roof on your Homeowners,
Hurricane rated doors and windows,
Construction materials,
The deductibles offered,
Coverage amounts,
Your age and credit history.

How to Save on Homeowners Insurance:

You might also be able to save a little by:

Obtaining a recent Wind Mitigation report,
Obtaining a recent 4-point Inspection,
Install Hurricane rated windows and doors,
Installing better safety features at your Homeowners, like deadbolt locks and smoke detectors.
Increasing your deductibles.

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Loss Prevention Hazard Survey

Quarterly Slip, Trip and Fall Hazards Checklist:

Inspection Date:_____

(1) Exterior Walking Surfaces: (Sidewalks, Walkways, Entrances etc. where people walk in or to & from the business)

a. Are any of the walking surfaces displaced more than ¼"? Yes No
b. Is the walking surface slippery when wet? (Algae, oil, grease, slippery surface, etc.) Yes No
c. Is there anything that someone can trip on? (Cords, water hoses, bolts, etc.) Yes No
d. Are there mats at the entrance and in good shape? (Consider rubber mats or similar at all entrances) Yes No
e. Is there sufficient lighting so persons walking in the area can see at night? Yes No
f. Are areas in need of repair clearly marked? (Consider giving warning with paint or caution tape) Yes No
g Are there any single steps that may be considered trip hazards (thresholds, side entrances) Yes No
h. Are there short cuts off the intended walkways? (Post signs to warn & educate or block access) Yes No

(2) Parking Area:

a. Is the parking lot surface smooth and even? (Potholes, Grates, transitions, repairs, etc.) Yes No
b. Is the parking lot surface slippery when wet? (Puddles, algae, oil, grease, pooling water, etc.) Yes No
c. Is there sufficient lighting so persons walking in the parking lot can see at night? Yes No
d. Are the parking stops in good condition? (Consider replacing them or resetting them in place) Yes No
e. Are the parking stops easily seen? (Consider painting them yellow) Yes No

(3) Outside Stairs:

a. Are the stairs in good condition? (No loose treads, damage, debris, etc.) Yes No
b. Is there a handrail and in good condition? (More than 2 treads it is recommended one handrail) Yes No
c. Are the treads and risers all the same size? (The tread is what you step on, the riser changes height) Yes No
d. Are the stair treads slippery? (Consider adding slip resistant material or coating) Yes No

(4) Pool Areas:

a. Is there "wet floor" signage at access points to the buildings (Lockers, bathrooms, shower Yes No
b. Are walkways close to the pool slip resistant?(Consider an additive or coating that is slip resistant) Yes No
c. Is pool equipped with mandatory safety equipment? (Life Ring with rope, Shepard's Hook, etc.) Yes No
d. Is the State Of Florida required signage posted at the pool? (Fla. Adm. Code 64E-9 and FS 514) Yes No

(5) Landscaping/Utilities:

a. Are any sprinklers spraying water onto walkways or adjacent structures? (If so correct) Yes No
b. Are all sprinklers in good repair and not in an area that causes a trip hazard? Yes No
c. Are all irrigation valve boxes covered with tight fitting lids? (If not repair immediately) Yes No
d. Are all utility boxes, water meters, etc. in good repair? (If not contact utility company to fix) Yes No

(6) Inside Stairs:

a. Are the stairs in good condition? (No loose treads, damage, debris, etc.) Yes No
b. Is there a handrail and in Good Condition? (More than 2 treads it is recommended at least one handrail) Yes No
c. Are the treads and risers all the same size? (The tread is what you step on, the riser changes height) Yes No
d. Are the stair treads slippery? (Consider adding slip resistant material or coating) Yes No

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(7) Playground and Activity Equipment:

a.	Are there signs warning parents intended use of play ground? (Age limit, supervision etc.)	Yes	No
b.	Does the playground have sufficient fall medium? (12" of chips is considered adequate by CPSC)	Yes	No
c.	Are all of the walking surfaces smooth and even?	Yes	No
d.	Is the walking surface slippery when wet? (Algae, oil, grease, slippery surface, etc.)	Yes	No
e.	Do you set out warning cones when cleaning the floor or if it is wet?	Yes	No
f.	Do you watch for wet areas and spills on the floor regularly? (Look every hour or less if able)	Yes	No
g.	Is there anything that someone can trip on? (Cords, merchandize, protrusions, carpet, ¼" std. etc.)	Yes	No
h.	Is the floor tile slip resistant especially when wet?	Yes	No
i.	Is the carpet in good condition with no wrinkles, worn spots, or delamination?	Yes	No
j.	Do you use the floor cleaning materials that will not increase the floors slipperiness?	Yes	No

Note: It is recommended that you routinely monitor for any potential hazards. If identified, the issue or item should be corrected immediately or marked off limits to the public. Also, it would be prudent to maintain these inspection reports in the event there is a claim. This could demonstrate concern regarding customer safety as well as document your loss prevention activities. This hazard survey is a guide and should not be considered comprehensive.

Signature: Date:

Russ Dozeman

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What is a "3rd Nail" in Florida?

When you hear about the Third Nail, it means the amount of nails used to secure the "Roof to Wall Attachment." Houses in Florida build prior to the year 2002 were only required by code to have two nails attached in the straps. Adding a third nail to the hurricane truss straps boosts strength and stability, making it more resistant to strong winds and potentially lowering a homeowner's insurance premium.

What is A Hurricane Strap or "Roof to Wall Attachment"?

It is essentially a bracket or strap to prevent your roof from blowing off during high winds.

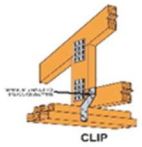
There are different forms of hurricane straps and each one has a different discount. These connections are listed in order of lowest discount to highest discount:

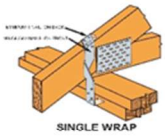
(1) **Toe Nails** – When there is no connector present or when a connector does not meet the minimum requirements (only 2 nails).

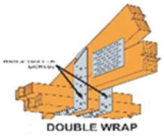
(2) **Clips** – Metal connectors that do not wrap over the truss

(3) **Strap** – Metal connectors that wrap over the truss and are nailed on each side

(4) **Double Straps** – 2 metal connectors that wrap over the truss







How Do I Obtain the "3rd Nail" Maximum Insurance Discounts?

(1) Minimum of 3 nails for clips and straps.

(2) A Strap must wrap over the truss and be nailed on the opposite side.

(3) Free of corrosion.

(4) No more than 1/2" spacing from the truss.

If your home does not have proper nailing or hurricane straps, there are companies that can retrofit it for you. If you would like to take advantage of potential discounts, **Please contact me for a list of quality Contractors.**

3rd Nail
Estimated Cost and Estimated Saving

Cost:	Typical cost for a 3rd Nail Retrofit is $900 to $1,350 Per Home. (cost depends on the square footage of the home)
Insurance Savings:	**Homeowner's Insurance:** Potentially a 25% to 35% reduction. **Association Insurance:** Major Underwriting Factor to Obtain a Quote rather than Being Declined. Minimal Premium Discounts.

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Strategic Plan & Timeline for Commercial Insurance

A Budget is for Boards that care about succeeding once.
A Strategic Plan is for Boards that care about succeeding repeatedly.

6 Months Prior To Insurance Renewal - Supporting Documentation Inventory

		Have?	Need?	n/a
①	**Insurance Replacement Cost Appraisal** This report details the insurable replacement cost of each building. Appraisal is valid for 36 months.	☐	☐	☐
②	**Wind Mitigation Report** (Form OIR-B1-1802) This report details the roof characteristics and how the roof is attached to the side/exterior walls. Reports are valid for up to five years.	☐	☐	☐
③	**4 Point Inspection** (Form Insp4pt 01 18) This report details the condition of the roof, plumbing, electrical system and heating /AC. Obtain a report for each building over 10 years old.	☐	☐	☐
④	**Loss Run Reports (Claim History from Prior Carriers)** A summary of insurance claims history, including the types of claims filed in the past, the frequency of past claims filed and the related costs.	☐	☐	☐
⑤	**Roof Inspection Report** (Citizens Insurance Form RCF-1 01 18) This report details the condition of the roof and the estimated remaining useful life. Obtain a report on any building with a roof that is over 10 years old.	☐	☐	☐
⑥	**Reserve Study - Most recent report** This report identifies the replacement cost and useful life of major capital improvement items. (Is the Board forward thinking?)	☐	☐	☐
⑦	**Milestone Structural Engineering Report** Residential Condominium Buildings over 30 years old and over 3 stories. (Over 25 years old if less than 3 miles from the coast)	☐	☐	☐
⑧	**Capital Improvements** Completed the last 12 months or planned for the next 12 months	☐	☐	☐

4 Months Prior To Insurance Renewal - Shop the Markets

Send a full submission to all carriers that write this type of coverage. Also staying up to date with the market to see if there are new carriers entering the market.

30-Days Prior To Insurance Renewal - Presentation of Proposals to Board

A complete presentation to the Board / Manager detailing all coverages and how they compare to the prior year's terms, condition and price.

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Notes

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