

Repair and Payment Duties After Casualty Loss in Condominium Unit

By: George Miles, Legislative Analyst II
December 4, 2019 | 2019-R-0284

Issue

Describe the repair and payment duties that state law imposes if a condominium unit is damaged by an event that is covered by insurance (i.e., a casualty loss), specifically if it is covered by the condominium association's property insurance, which is often referred to as a master insurance policy.

The Office of Legislative Research is not authorized to provide legal opinions, and this response should not be considered one.

Summary

With certain exceptions, the condominium association is generally responsible for repairing the unit after a casualty loss that the master insurance policy covers. The cost of its repairs, including any insurance deductible, is a common expense. Unless there is a provision in the condominium's governing documents (e.g., declaration or bylaws) or state law that permits assessing that common expense against the affected unit, it must be assessed against and paid by all the unit owners in accordance with their common expense liabilities.

Applicable Law

Connecticut has several sets of statutes that govern condominiums, including the Common Interest Ownership Act (CIOA) ([CGS § 47-200, et seq.](#)). Whether a particular statute applies largely depends on the date a condominium was created. However, CIOA's provisions concerning property insurance coverage, repairs, and costs (centrally [CGS §§ 47-255](#) and [47-257](#)) generally apply to every

residential condominium in the state, regardless of when it was originally created ([CGS §§ 47-214 to 47-217](#)).

Each condominium's governing documents may also have additional property insurance requirements beyond those in CIOA that are uniquely applicable to their community.

Property Insurance Coverage and Repair Responsibility

CIOA generally requires most condominium associations to purchase insurance that covers both the common elements and the units against claims for property damage. (If, however, any of the units are detached single-family houses or contained in duplexes, then CIOA does not require those units to be insured by the association ([CGS § 47-255\(a\) & \(b\)](#).) Regardless of the coverage under the association's master insurance policy, it does not prevent a unit owner from obtaining his or her own property insurance ([CGS § 47-255\(f\)](#)).

If an association's master policy includes the units, then CIOA requires that it, rather than a unit owner's policy, provide primary coverage regarding a casualty loss that occurs within a unit ([CGS § 47-255\(d\)\(4\)](#)). When the master policy covers the loss, the association is generally responsible for repairing the damage promptly, with certain exceptions (e.g., if the repair would be illegal under a state or local statute or ordinance governing health or safety) ([CGS § 47-255\(h\)](#)).

For more details on CIOA's insurance coverage and repair requirements, please see [OLR Report 2012-R-0093](#).

Casualty Loss Payment Responsibility

Repair Costs Generally

Property insurance policies, including association master policies, typically contain deductibles. A deductible is an amount stated in the policy that is applied to the cost of repairs, beginning with the first dollar. The insurance company that issues a policy generally pays any costs over and above the deductible, subject to the policy's terms and conditions. The insurer will not pay the repair costs that fall at or below the deductible.

Under CIOA, if the master policy's insurance proceeds do not cover the entire cost of repair (including any deductible), the shortfall is a common expense ([CGS § 47-255\(h\)\(1\)](#)).

Distributing Repair Costs

Common expenses are generally required to be assessed against all of the units in accordance with their common expense liabilities, however, there are exceptions that allow associations to assess them against a particular unit or set of units ([CGS § 47-257](#)).

For example, CIOA permits a condominium's declaration to require that a common expense that benefits fewer than all of the units, such as the cost of repairing a unit that is not paid through the master policy because of a deductible, be assessed exclusively against the unit or units benefited ([CGS § 47-257\(c\)](#)).

Additionally, CIOA independently allows associations to assess such costs against a unit if the casualty loss was caused by the (1) willful misconduct, (2) failure to comply with the association's written maintenance standards, or (3) gross negligence of the unit's owners, their tenants, guests, or invitees, or a tenant's guests or invitees. However, associations must first give the owners notice and an opportunity to be heard before making such an assessment ([CGS § 47-257\(e\)](#)).

In instances involving a casualty loss covered by a master policy where an association assesses an individual unit, the unit owner may submit a claim seeking reimbursement under his or her own property insurance policy.

GM:kc