

# For Managers Only!

A Complimentary Newsletter Created Exclusively For the Community Association Managers of Clayton & McCulloh's Association Clients



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## Hazard Insurance

**T**he hazard insurance policy carried by an association to protect a condominium may have and probably did substantially change within the recent past provided the policy was renewed on or after January 1, 2004. This may be due in large part to the adoption of changes by the Legislature to the Florida Statutes, in particular, Section 718.111(11). This Section of the Florida Statutes currently delineates what portions and/or fixtures of the condominium that the condominium association is responsible for insuring and what portions and/or fixtures of the condominium that the condominium association is precluded from insuring.

Since this development was quite a departure from what has traditionally been required or excluded insurance coverage to be held by the association, it may be advisable if you have not already done so to inform owners regarding this change. Unfortunately, many owners may not have the necessary insurance covering their unit or their insurance may have omitted one or more of the items which the association is now precluded from insuring, given the change in the law. Therefore, Clayton & McCulloh recommends that associations apprise unit owners of this development and have them check with their individual insurance agent and/or check their insurance policy to verify that the items precluded in Florida Statutes Section 718.111(11) from coverage by the association are covered by the individual unit owner's insurance. Please understand that the Florida Statutes ostensibly take precedence over the governing documents of the association, including the declaration of condominium, so when any conflict exists, the Florida Statutes prevail.

See **Hazard**, pg 2

## Ever Wish there Was a "Be Kind to Your Manager" Seminar for Directors?

**Y**our wish has been granted! Our 2006 Annual Directors Workshops have been scheduled and one of the topics covered by our Director of Client Services covers ways Directors can improve their relationship with their managers and to provide them with a better understanding of the responsibilities of a manager. Too many times the Board has a misconception of what a CAM's responsibilities. In some instances, Directors may view the CAM as a glorified secretary and not the highly qualified professional that CAMs are today.

Past seminars have garnered great reviews from the Directors. In particular, they have found the section on dealing with managers enlightening. One director said he had never thought about it from a managers' perspective. Another said although her manager had also provided some of the same material. However, when it came from an unbiased third party, the information suddenly received more credibility.

The Workshop is a two hour program. Neal McCulloh is tentatively scheduled to speak at the Orlando, Cape Canaveral, and Kissimmee Workshops. Russ Klemm will be the featured attorney at the Daytona Beach Workshop. Additionally, a second attorney will also be featured at each Workshop. Our Director of Client Services, Arlene Ring, will also be a featured speaker at all four workshops and will be covering such topics as manager issues, annual and board meeting, and other

see **ADWs**, pg 2

## Hazard Insurance (from pg 1)

However, while Florida Statutes Section 718.111(11) pertains to and provides requirements with respect to insurance, it does not expressly shift or delineate requirements for maintenance and replacement responsibilities between the condominium association and the individual unit owners. With respect to insurance coverage, it is imperative for all condominium associations to realize that there can be a difference with respect to who has the “duty to repair and replace” versus who has the “duty to insure” an item. Therefore, a potential quagmire and ambiguity may arise when an item is damaged by an event covered by the Association’s insurance (for which the Association must carry insurance under the terms of the Florida Statutes) but for which the unit owner has general maintenance and replacement responsibility under the terms of the declaration of condominium. In such a circumstance, if the insurance deductible is higher than the cost to repair or replace the damaged item, an issue can arise as to who has responsibility to repair or replace the item.

It is almost always the particular circumstances at issue and often the requirements of a particular declaration of condominium which will dictate the best course of action to take with respect to repairing or replacing items which have been damaged, particularly due to some form of casualty or insurance triggering event. If you have questions regarding what party is responsible for insuring and/or maintaining, repairing, and replacing portions or items within the condominium, it is often advisable to seek legal counsel to ensure that the association and the unit owners are in full compliance with the laws of the State of Florida and the governing documents of the condominium.

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### Thought for the Day

Budget: A mathematical confirmation of your suspicions!  
– A. A. Latimer

### Thoughts for the Day

There is nothing permanent except change.  
– Unknown

Definition of a Manager: A professional is one who does his best work when he feels the least like working.  
–Frank Lloyd Wright

## Management Reassignments

**I**t is common in this day and time for management companies to reassign managers to other associations as circumstances dictate. Regrettably it is also common for when a new Board of Directors are elected, they often change management companies.

It is important that we have current information on the managers and management companies our clients employ so we do not forward confidential correspondence or invoices to former managers.

If you have been managing one of our Association clients and have recently been reassigned and a new manager has been assigned to our client Association or your company is no longer representing one of our Association clients, please call our Client Services Department at any of our offices. You can also e-mail this change to [clientservices@clayton-mcculloh.com](mailto:clientservices@clayton-mcculloh.com). ☞

## Your Wish Has Come True! from pg 1

practical issues Directors face today. For more information on these Workshops, please see our 3<sup>rd</sup> Quarter Association Developments or visit our web-site. ☞