
DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 624 Original

2020 Regular Session

Hilferty

Abstract: Provides with respect to the liability of condominium and unit owner association insurance policies.

Present law requires that condominium associations purchase property insurance on the common elements and units to insure against all risks of direct physical loss and requires the association to purchase comprehensive general liability insurance, including medical payments, covering all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with use, ownership, or maintenance of the common elements.

Present law provides that when a unit owner does purchase a policy and a loss is sustained, the association policy shall remain primary for the loss of common elements, structural elements and components, and fixtures and improvements of the condominium units. The unit owner policy shall be responsible for betterments and improvements installed by the unit owner. Proposed law clarifies present law to clearly state that present law applies when the association's policy and the unit holder's policy cover the same risk.

Proposed law provides that provisions of present law may be varied or waived when all of the units of a condominium are restricted to nonresidential use.

(Amends R.S. 9:1123.112(C))