

2004 SESSION

INTRODUCED

047323320

HOUSE BILL NO. 555

Offered January 14, 2004

Prefiled January 13, 2004

A BILL to amend and reenact § 55-79.81 of the Code of Virginia, relating to the Condominium Act; insurance.

Patron—Hargrove

Referred to Committee on General Laws

Be it enacted by the General Assembly of Virginia:

1. That § 55-79.81 of the Code of Virginia is amended and reenacted as follows:

§ 55-79.81. Insurance.

A. The condominium instruments may require the unit owners' association, or the executive organ or managing agent on behalf of such association, to obtain:

1. A master casualty policy affording fire and extended coverage in an amount consonant with the full replacement value of the structures within the condominium, or of such structures that in whole or in part comprise portions of the common elements.

2. A master liability policy, in an amount specified by the condominium instruments, covering the unit owners' association, the executive organ, if any, the managing agent, if any, all persons acting or who may come to act as agents or employees of any of the foregoing with respect to the condominium, and all unit owners and other persons entitled to occupy any unit or other portion of the condominium.

3. Such other policies as may be required by the condominium instruments, including, without limitation, workers' compensation insurance, liability insurance on motor vehicles owned by the association, and specialized policies covering lands or improvements in which the unit owners' association has or shares ownership or other rights.

B. When any policy of insurance has been obtained by or on behalf of the unit owners' association, written notice of the obtainment thereof and of any subsequent changes therein or termination thereof shall be promptly furnished to each unit owner by the officer required to send notices of meetings of the unit owners' association. Such notices shall be sent in accordance with the provisions of subsection A of § 55-79.75.

C. Except to the extent otherwise provided in the condominium instruments, any insurance deductible under the master casualty policy shall be paid by the unit owners' association as a common expense if the cause of the damage to or destruction of any portion of the condominium originated in or through the common elements or an apparatus located within the common elements. However, a unit owner shall pay such deductible if the cause of any damage to or destruction of any portion of the condominium originated in or through a unit or any component thereof without regard to whether the unit owner was negligent.

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