



INSIGHT

Covering Tomorrow Today

Winter 2015

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CISA will be at the
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ILLINOIS CONDOMINIUM ACT AMENDED

Effective June 1st, 2015, a bill amending the Illinois Condo Act changes the insurance requirements that condo associations are required to carry.

These changes are meant to bring greater protection to those who live in condo buildings, and also mean many insurance companies are not compliant with the new law. Make sure your association isn't in jeopardy. If you are currently insured with CISA, rest assured, our policies are already compliant.

The first area of impact is "Ordinance & Law" coverage, requiring a minimum to 10% of the building value, to a maximum of \$500,000.

The second area changes the Directors & Officers liability, stating that the policy must have the following coverages:

- Defense of non-monetary actions
- Defense of breach of contract
- Defense of decisions related to the placement of insurance
- Defines who is to be covered under the policy, as well as all past, present, along with future board members and third party building managers and their employees.

Thirdly, it deletes language that: if the unit owner does not purchase or produce evidence of insurance requested by the board, the directors may purchase the insurance coverage and charge the premium cost back to the unit owner; in no event is the board liable to any person either with regard to its decision not to purchase the insurance, or with regard to the timing of its purchase of the insurance or the amounts or types of coverages obtained.

Finally, it defines Improvements & Betterments, meaning that all decorating, fixtures, and furnishings installed or added to and located within the boundaries of the unit, including electrical fixtures, appliances, air conditioning and heating equipment, water heaters, built-in cabinets installed by unit owners, or any other additions, alterations, or upgrades installed or purchased by any unit owner.

It is important to work with a knowledgeable agent. Contact CISA today for a quote.

Insurance Tidbit

Fire Sprinklers are Safe and Reliable. They control deadly heat, smoke, and flames. And they protect your property! Only the sprinkler closest to the fire activates, not the entire system.