

ADOPTION SECTION

INSURANCE

DEPARTMENT OF BANKING AND INSURANCE

DIVISION OF INSURANCE

Notice of Administrative Correction

Homeowners Insurance Consumer Information Brochure; Summary of Notable Coverages and Exclusions

Condominium Unit Owners Insurance

N.J.A.C. 11:2-41 Appendix Exhibit B

Take notice that the Department of Banking and Insurance, in its adoption of N.J.A.C. 11:2-41 effective March 2, 2015, published in the March 2, 2015, New Jersey Register at 47 N.J.R. 529(a), 533, discovered an error in the text of N.J.A.C. 11:2-41 Appendix Exhibit B. As explained in the seventh Comment and Response in the Summary of Public Comments and Agency Responses in the notice of adoption (see 47 N.J.R. at 530), the Department agreed with a commenter's suggestion to delete upon adoption the section "Loss Assessment (Coverage D)" from Appendix Exhibit B's listing of common coverages. The deletion of that section was included in the original notice of adoption submitted by the Department for Register publication. However, in the processing of that notice for publication by the Office of Administrative Law, the section "Loss of use (Coverage D)," instead of the intended "Loss Assessment (Coverage D)," was inadvertently depicted in the adopted rule text as deleted upon adoption. Through this notice, published pursuant to N.J.A.C. 1:30-2.7, the section "Loss of use (Coverage D)" is restored to the listing and the section "Loss Assessment (Coverage D)" is deleted as intended.

Full text of the corrected rule follows (addition indicated in italics *thus*; deletion indicated in braces {thus}):

EXHIBIT B

Condominium Unit Owners Insurance

THIS SUMMARY HIGHLIGHTS THE NOTABLE COVERAGES AND EXCLUSIONS ASSOCIATED WITH YOUR CONDOMINIUM INSURANCE POLICY AND IS ONLY PROVIDED AS GUIDANCE IN HELPING YOU UNDERSTAND YOUR POLICY. THIS SUMMARY DOES NOT ALTER YOUR COVERAGE IN ANY WAY. YOUR INSURANCE POLICY IS A CONTRACT THAT GOVERNS YOUR LEGAL RIGHTS. PLEASE CONTACT [YOUR AGENT / US] IF YOU HAVE ANY QUESTIONS.

REFER TO YOUR DECLARATIONS PAGE FOR INFORMATION ON DEDUCTIBLES AND THE SPECIFIC LIMITS OF YOUR POLICY FOR EACH OF THE INCLUDED COVERAGES. REFER TO THE APPLICABLE POLICY PROVISIONS FOR OTHER INFORMATION SPECIFIC TO THESE COVERAGES, AND ON ANY ADDED COVERAGES OR EXCLUSIONS IN YOUR POLICY. FOR ADDITIONAL GUIDANCE AND INFORMATION, SEE THE “INSURING YOUR HOME” GUIDE ON THE N.J. DEPARTMENT OF BANKING AND INSURANCE WEBSITE AT http://www.state.nj.us/dobi/division_consumers/pdf/insuringyourhome.pdf

Most condominium policies in New Jersey include the following common coverages:

- **Dwelling (Coverage A)** Your condominium policy will cover property that is permanently installed in your condo unit that is not otherwise covered by your condominium association’s insurance policy.
- **Personal property (Coverage C)** pays if the items in your condo unit (such as furniture, clothing, computers and TVs) are damaged, stolen, or destroyed by a covered loss.
- **Loss of use (Coverage D)** *pays your additional living expenses (costs over the normal amount for housing, food, and other essential expenses) if you must temporarily move because damage to your condo unit from a covered loss renders it uninhabitable.*
- { **Loss Assessment (Coverage D)** covers your share of an assessment charged by your condominium association for covered losses under your policy that are incurred by the association. }
- **Personal liability (Coverage E)** pays to defend you in court against certain lawsuits and provides coverage if you are found legally responsible for someone else’s injury or property damage.
- **Medical payments to others (Coverage F)** pays the medical bills of people hurt on your property. It might also pay for some injuries that happen away from your condo unit, such as your dog biting someone at the park.

Policy Features

- Companies may exclude coverage for certain losses. Even the most comprehensive policy will exclude certain types of damage.
- All policies include an all-peril deductible. The deductible is the portion for which you are responsible on a covered property loss.
- Some policies may include a separate optional wind/hail and/or a mandatory or optional hurricane deductible.
- Companies may offer optional coverages that include loss assessment, coverage for oil tank liability, water back up and sump pump overflow, ordinance or law coverage, earthquake and scheduled personal property such as jewelry, fine arts, furs or silverware.

Your Policy Covers Losses Caused by	Your Policy Does Not Cover Losses Caused by
Fire and lightning	Flooding including tidal surge (Note: Flood insurance may be available through the National Flood Insurance Program (www.floodsmart.gov))
Sudden and accidental damage by smoke	Earthquakes, earth movement, landslides, mudslides & sinkholes
Explosion	Termites, insects, rats, mice, birds or other vermin
Theft	Freezing pipes (unless water was shut off or building was heated)

Vandalism and malicious mischief	Certain losses if your condo unit is vacant for the number of days specified by your policy
Aircraft and vehicles	Wear and tear, rotting, maintenance and pollution
Windstorm or hail	Wind or hail damage to trees and shrubs
Sudden and accidental water damage	Mold, unless it is as a result of a covered loss (for example, mold damage due to flood would not be covered)
Weight of ice, snow or sleet	Water damage resulting from continuous and repeated seepage
Riot and civil commotion	Liability which results from the ownership or use of an automobile and other types of motorized land vehicles, aircraft or certain watercraft
	Intentional acts caused by you or a resident of your home
	War and Nuclear Hazard