



# 5 FAQs About Condominium Insurance

If you decide to buy a condominium, you'll probably need to purchase condo insurance, too. Here is what you need to know about this type of homeowners insurance policy.

## 1. What is condo insurance?

Condominium buyers share in a unique type of property ownership. Each unit is owned individually, but those individuals also collectively own the building, the grounds, and any shared amenities.

Typically, a condominium owners association purchases a master policy to insure the building and common areas, and the cost of that policy is included in condo owners' monthly dues.

However, if losses occur inside your unit, you'll need condo insurance to protect your personal property and your home's cabinets, flooring, and fixtures from disastrous events such as fire, theft, wind, or water damage.

## 2. Is condo insurance required?

It depends on how you pay for your condo. If you plan to finance your purchase with a mortgage, expect your lender to require condo insurance. (This is true for buyers of single-family homes, too.)

On the other hand, condo insurance won't be required if you're a cash buyer. But you may decide to purchase coverage anyway to protect your investment.

## 3. How is condo insurance different from homeowners insurance?

The main difference between condo insurance and homeowners insurance is the scope of coverage. Homeowners insurance usually offers broader protection because it covers the entire property—both the structure and the land—as well as liability for visitor injuries. Condo

insurance, on the other hand, typically covers only the interior of the unit, as the building's exterior and common areas are usually protected by the condo association's master policy.

## 4. Are there different types of condo insurance?

Yes, various policies offer different degrees of protection. For example, personal property coverage will replace items stolen or damaged in a covered event. But what, exactly, is a covered event?

Read the details to ensure you have the coverage you desire. For instance, water damage from a leaking pipe is often covered, but water damage from flooding or stormwater backups is not.

## 5. How much does condo insurance cost?

Condo insurance premiums can vary substantially, depending on your location, the age of the building, the size of your unit, and how much coverage you need. Your credit score can also impact the cost.

To save, shop around and look for discounts. Increasing your deductible is another way to reduce premiums.



LAUREL BRANDI  
REAL ESTATE

(575) 640-6511

laurel@VistaTeamNM.com  
www.newmexico.properties