

NOTICE TO ALL CUSTOMERS

Conventional Condominium Property Insurance Coverage Requirements Reminders

Florida Capital Bank would like to remind customers of the Property Insurance Coverage Requirements for Condominium Projects which include but are not limited to the following:

- The policy must provide for claims to be settled on a replacement cost basis. Insurance policies that provide for claims to be settled at actual cash value or limit, depreciate, reduce or otherwise settle losses for less than a replacement cost basis is not acceptable.
- Acceptable policy coverage must be at least equal to 100% of the replacement cost value of the project's improvements, including Common Elements and residential structures, as of the current insurance policy effective date. The source the lender uses to verify the coverage amount may be the property insurer, an independent insurance risk specialist, or other professional with appropriate resources to make such determination. This may include, but is not limited to, a statement from the insurer or other applicable professional, a replacement cost estimator, or an insurance risk appraisal.
- The maximum allowable deductible for all required property insurance perils is 5% of the master property insurance coverage amount.
- A master policy covering project developments should be written on a "Special or Board" coverage form or equivalent.
- Inflation Guard coverage, and Law or Building Ordinance coverage if offered in the market.
- At a minimum, the coverage must not exclude any required peril:
 - Fire, Lightning, Explosion,
 - Windstorm (including named storms designated by the US National Weather Service or the National Oceanic and Atmospheric Administration),
 - Hail, Smoke,
 - Aircraft or vehicles,
 - Riot or civil commotion,
 - Vandalism,
 - Sprinkler leakage, Sinkhole collapse
 - Volcanic action, Falling objects
 - Weight of snow, ice or sleet
 - Water damage

For additional information, please refer to our Hazard Guidelines posted in the [Resource Center](#)

If you have any questions, please contact your [Account Executive or Client Relations Representative](#).