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## Condominium Drywall

An article titled "Condominium Coverages" in our free on-line Education Library briefly addresses the issue of condominium drywall and what policy has primary insurance responsibility. [Click here](#) to view that article, which deals with a variety of condominium insurance issues. Due to the numerous questions received about the drywall issue, this article goes into greater depth.

The regulatory authority for condominiums in Florida is the Department of Business and Professional Regulation Division of Land Sales, Condominiums, and Mobile Homes. (referred to hereafter as "The Division") One function of The Division is to resolve disputes between parties involved with condominium issues, and these disputed issues may include insurance matters. On April 12, 2006, The Division issued Declaratory Statement # 2006-007 dealing with an insurance issue that partially involved drywall. The complete Declaratory Statement may be viewed or downloaded by [clicking here](#).

Before giving an executive summary of what the Declaratory Statement said, let's look at what the statute says about the insurance responsibility of the condominium association master property.

**718.111 The association.**

*(11) INSURANCE*

*(b) Every hazard insurance policy issued or renewed on or after January 1, 2004, to protect the condominium shall provide primary coverage for:*

- 1. All portions of the condominium property located outside the units;*
- 2. The condominium property located inside the units as such property was initially installed, or replacements thereof of like kind and quality and in accordance with the original plans and specifications or, if the original plans and specifications are not available, as they existed at the time the unit was initially conveyed;*

Consider the case for drywall. There is no doubt that drywall is addressed under paragraph #2 since it is condominium property inside the units. In cases where the drywall is the original drywall initially installed by the builder the statute is very clear: the condominium association master policy **shall provide primary coverage**. The same can be said for replacement

drywall if it is a like kind and quality replacement for the original drywall. Suppose, however, that a unit owner decided that he didn't like his combination living/dining room and put up (at his own expense) a new wall between the rooms, thus creating two separate rooms with access via an interior door. Since the drywall in this example was not initially installed as part of the original plans and specifications the condominium master policy is not statutorily required to provide primary coverage. In fact, the CP 01 91 Florida Changes "Condominiums endorsement states that additions owned by the unit owner which were not part of the original plans and specifications are not covered by the master policy. In such cases it would be left to the unit owner to cover the drywall and interior door, ideally through the HO-6 policy with an adequate limit of Coverage A.

In looking at the Declaratory Statement on page 8 of 11, item #10 states the following:

10. The association is responsible for insuring the drywall in the units, whether it is perimeter drywall or interior drywall, because it is responsible for insuring "the condominium property inside the units as initially installed," but Perez is required to insure the water heater. § 718.111(11)(b), (c), Fla. Stat.

### 2008 Legislative Changes

During the 2008 legislative session House Bill 601 was passed. This bill made significant changes to various Florida Statutes dealing with condominium insurance issues. Even though other aspects of condominium insurance were affected by the new statutes, the drywall issue remains unchanged. The 2008 statutory wording states the following, applicable as of 1/1/09:

*718.111(11)(f) Every hazard insurance policy issued or renewed on or after January 1, 2009, for the purpose of protecting the condominium shall provide primary coverage for:*

- 1. All portions of the condominium property as originally installed or replacement of like kind and quality, in accordance with the original plans and specifications.*
- 2. All alterations or additions made to the condominium property or association property pursuant to s. 718.113(2).*
- 3. The coverage shall exclude all personal property within the unit or limited common elements, and floor, wall, an ceiling coverings, electrical fixtures, appliances, water heaters, water filters, built-in cabinets and countertops, and window treatments, including curtains, drapes, blinds, hardware, and similar window treatment components, or replacements of any of the foregoing.*

While the actual wording in the 2004 and 2008 statutes is different, the end result is the same: In cases where the drywall is the original drywall initially installed by the builder the statute is very clear: the condominium association master policy **shall provide primary coverage**. The same can be said for replacement drywall if it is a like kind and quality replacement for the original drywall.

### **Summary**

Drywall, whether it is on a perimeter wall or an interior wall, is the primary insurance responsibility of the condominium association. Drywall installed by the unit owner after initial construction of the condominium or the additional cost of upgraded drywall installed by the unit owner is the insurance responsibility of the unit owner.

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