

Is condo insurance mandatory?

Condo insurance may be a legal requirement depending on your state and municipality, but even if it's not mandatory, it's a practical necessity. Your homeowners association may require you to have it. Your bank will almost certainly require it if you're planning to get a mortgage.

That's because a crisis in your condo doesn't just affect you—it affects the units around you and affects your lenders if you can't afford to make payments. Condo insurance is usually even cheaper than homeowners insurance. There's no real reason not to have it, and many, many reasons why you should have it.

What risks do condo owners face?

Condos often come equipped with special safety equipment. Sprinklers and high-tech security systems are way more common in large condo complexes than they are in your typical single-family home. Condos are also commonly smaller than single-family homes, which means they're usually less expensive to repair.

Insurance companies love both of those things and often offer better rates to condo owners because of it. However, there are still plenty of risks for condo owners to consider:

- **Crime:** Criminals and vandals could damage your condo and steal or destroy the stuff inside it.

- **Natural disasters:** Fire, hurricanes and other forces of nature can strike condos just like single-family homes. Your homeowners association may pay to repair the building, but you'll still be on the hook for damage to your unit.
- **Legal issues:** Living in a condo typically means living in close quarters with your neighbors. That can mean legal trouble down the road if you get into conflicts about noise, renovations, sublets, short-term rentals like Airbnb, and more.

Condo insurance is designed to cover these and many more sticky situations for condo owners.

Is condo insurance covered by the homeowners association (HOA)?

Sometimes, homeowners associations pay for [dwelling insurance](#) as part of your association dues. You'll still need to purchase personal property and liability coverage, but you won't have to worry about structural damage.

However, you definitely shouldn't assume that your homeowners association will cover everything. Always ask what they cover and what you're responsible for yourself, preferably before you even make an offer on the condo.

Most of the time, condo owners will bear 100% of the responsibility for insuring their unit. Help from your

homeowners association is the exception, not the rule.

What is condo insurance?

Condo insurance, also called H06 insurance, has three parts:

- **Dwelling insurance:** Covers structural elements like walls and floors.
- **Personal property insurance:** Covers your possessions stored in the unit.
- **Liability insurance:** Covers legal fees if someone sues you in cases related to your home.

Condo insurance works similarly to single-family homeowners insurance, but it's usually a little more customizable. You may decide that you only want to buy personal property and liability insurance if your dwelling insurance is covered by your homeowners association.