Coakley Bay Association

Insurance Limitations

In the aftermath of the 2017 hurricane season, we all learned a lot about what Coakley's insurance does, and does not, cover. Those lessons are still relevant today.

This document has been created to assist you in making the purchasing decisions that best fit your needs, but is not an endorsement of a particular product, or professional advice; there is no substitute for professional guidance from a competent, licensed and experienced insurance agent. All coverage is subject to the terms and conditions of the actual policy.

Coakley's insurance coverage for your unit is very limited. Currently each unit's interior is covered for $50,000 but it is important to understand that that $50,000 covers your unit only as originally constructed back in the 1970s, and does not provide coverage for any improvements made since then. Coakley's policy also does not cover your personal property, loss of use/rents, or your personal liability, but these can all be remedied on your own.

The prudent way to protect yourself and your home at Coakley Bay would be to purchase a Condominium-Owners policy, commonly called HO-6 coverage. An HO-6 policy can give you coverage on your interior, personal property, loss of use/rents, and liability. Below is a quick explanation of how the components of an HO-6 policy could work.

Dwelling: This coverage will provide coverage on the improvements to your condo that were made post-construction. Many units have modernized kitchens, bathrooms, floor coverings, etc., and this is the appropriate place to cover such items.
Personal Property would be your furniture, clothing, etc., and should be covered here. Bear in mind that if you own certain items like jewelry, furs, guns, collectibles, etc., that your policy will likely limit the amount of coverage afforded unless you specifically schedule those items; your insurance agent can guide you how to do this. You have no coverage on the Coakley policy for this.

Loss of Use/Rent: In the states, this is a coverage that is usually automatically included on any form of homeowners insurance policy, but that is not the case here. This is an optional coverage you can purchase to protect yourself from the economic loss of having to live elsewhere or for lost income when your home is damaged due to a peril covered by your HO-6 policy. You have no coverage on the Coakley policy for this.

Liability: Liability is the coverage that will protect you financially for damages you cause to someone else's unit or the Coakley common property, or perhaps if someone

is injured while visiting you. Some examples where this coverage would come into play would be if you have an internal pipe leak into another unit, your pet bit or attacked someone, or a guest tripped and fell while visiting you. There are numerous other scenarios that liability insurance might cover, but, most importantly, please note you have no coverage on the Coakley policy for this.

Renting: If you rent your unit to others, make sure you tell your insurance agent. The un-endorsed policy might not cover you if a tenant makes a liability claim for something that happened while visiting you.

Second Home: Some owners whose primary home is elsewhere, like in the mainland, will elect to extend liability coverage from their primary home to their Coakley condo. It is a less expensive way to get liability insurance, but it is imperative to make sure that your insurance agent understands that St. Croix is in a U.S. Territory and is eligible for coverage extension from most carriers. The coverage territory definition used by most carriers is “the United States, it’s territories and possessions”.

Medical Payments to Others: This coverage is similar to liability coverage and is used if someone is hurt, but not severely, while visiting you and does not wish to sue. Often, this coverage will just pay minimal medical bill up to the coverage limit.

NOTE: If you carry a personal umbrella, you should list your Coakley property on it, and extend coverage to your unit. In order for you to have coverage, you will need to list the location, pay a premium, and in most cases carry underlying (primary) liability insurance coverage in an amount dictated by your carrier. Failure to do so could make you liable for claims up to the required underlying limit. In many cases the underlying requirement is $300,000.00 but check with your carrier for their specific underlying requirement.

Again, please bear in mind that this document was written strictly as a tool to guide you and that any coverage decisions should be based on the advice and guidance of your licensed insurance professional.