

LEGAL LIABILITY GAP COVERAGE: WILL IT COVER YOU FROM A COVID CLAIM?

You have a unit owner in the lobby, or other common area of your association. This particular unit owner contracts Covid-19 and decides to sue, claiming that the association is liable for their medical bills and lost wages. In addition, **their car tire is flat and the association needs to pay for it.** 😊 You make a claim with your general liability carrier to cover the damages and legal fees. The adjuster gives you a call, and the claim is DENIED. But that's what your general liability and directors and officers coverage is for... right? Well yes, but there is always a list of exclusions- which is why it is important to choose a knowledgeable agent to represent your associations. One of the most common exclusions in commercial policies is the "communicable disease exclusion". This excludes diseases and infections from coverage in your liability policies! So now you are stuck with not only paying their hospital bills and other expenses, but 100% of the court costs and legal fees. There is coverage called "Legal Defense Gap Coverage" which will cover the legal defense portion in cases where a claim is denied due to a myriad of reasons.

The situation described earlier sounds terrifying, right? Luckily, it's not as bad as it may seem! Florida statutes have changed the stipulations for being able to file a lawsuit over contracting Covid. The stipulations are:

- The claimant must have a doctor's note stating they have Covid
- That doctor must be able to 100% state the claimant contracted Covid at a specific location

Needless to say, it would be pretty difficult to prove that you contracted Covid at a particular location. So, it is important to consider the importance of legal liability gap coverage.



Marshall Wren
Commercial Lines Insurance Producer

QUALIFICATIONS

- General Lines Insurance License (2-20)
- BAS in Organizational Management
- Works Exclusively with Community Associations

RESPONSIBILITIES

- Primary Contact
- Needs Analysis
- Market Strategy
- Onsite Claims



The years 2020-2021 has clearly been life changing for all of us. The last thing anyone needs is your association being sued on top of everything else. The reality is that the chances of being involved in a lawsuit at some point is fairly high. It is important to have the correct coverage in place to protect your communities.

The reasons a claim could be denied include but are not limited to:

- Bacteria & Mold Exclusions
- General liability claims out of the named locations
- Intentional Libel by a board member
- Undisclosed information on applications that lead to claims
- Communicable Disease Exclusion

We have been insuring and helping to protect community associations for over 40 years, and the industry is ever changing. If you are interested in making sure your community is correctly covered, please reach out to me—I look forward to hearing from you!

- The Florida condo and HOA insurance market changes continuously and rapidly. Having an agent like Marshall Wren who stays on top of these changes is critical.
- Wren Insurance Agency is a leading insurance provider for Space Coast community associations, and has the experience, resources, and companies to provide an insurance program designed specifically for your association.
- We independently represent many highly rated insurance companies whose focus is on Florida condo associations
- Flexible payment plans
- Space Coast Communities Association member since 1979
- Melbourne-Palm Bay Chamber of Commerce member since 1980
- Better Business Council member since 1996

Please contact me, Marshall Wren, to explore working together!

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