

**Article - Real Property**

11-114.

(a) Commencing not later than the time of the first conveyance of a unit to a person other than the developer, the council of unit owners shall maintain, to the extent reasonably available:

(1) Property insurance on the common elements and units, exclusive of improvements and betterments installed in units by unit owners, insuring against those risks of direct physical loss commonly insured against, in amounts determined by the council of unit owners but not less than any amounts specified in the declaration or bylaws; and

(2) Comprehensive general liability insurance, including medical payments insurance, in an amount determined by the council of unit owners, but not less than any amount specified in the declaration or bylaws, covering occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use, ownership, or maintenance of the common elements.

(c) Insurance policies carried pursuant to subsection (a) of this section shall provide that:

(1) Each unit owner is an insured person under the policy with respect to liability arising out of his ownership of an undivided interest in the common elements or membership in the council of unit owners;

(2) The insurer waives its right to subrogation under the policy against any unit owner of the condominium or members of his household;

(3) An act or omission by any unit owner, unless acting within the scope of his authority on behalf of the council of unit owners, does not void the policy and is not a condition to recovery under the policy; and

(4) If, at the time of a loss under the policy, there is other insurance in the name of a unit owner covering the same property covered by the policy, the policy is primary insurance not contributing with the other insurance.

(g) (2) (I) 1. The cost of repair or replacement in excess of insurance proceeds and reserves is a common expense.

2. A PROPERTY INSURANCE DEDUCTIBLE IS NOT A COST OF REPAIR OR REPLACEMENT IN EXCESS OF INSURANCE PROCEEDS.

(II) IF THE CAUSE OF ANY DAMAGE TO OR DESTRUCTION OF ANY PORTION OF THE CONDOMINIUM ORIGINATES FROM THE COMMON ELEMENTS, THE COUNCIL OF UNIT OWNERS' PROPERTY INSURANCE DEDUCTIBLE IS A COMMON EXPENSE.

(III) 1. EXCEPT AS OTHERWISE PROVIDED IN THE COUNCIL OF UNIT OWNERS' BYLAWS, IF THE CAUSE OF ANY DAMAGE TO OR DESTRUCTION OF ANY PORTION OF THE CONDOMINIUM ORIGINATES FROM A UNIT, THE COUNCIL OF UNIT OWNERS' PROPERTY INSURANCE DEDUCTIBLE IS A COMMON EXPENSE.