

[National Cooperative Law Center](#)

- [Home](#)
- [Cooperative Locator](#)
- [Library](#)
- [Events](#)
- [Resources](#)
- [Contact](#)
- [Subscribe](#)

Insurance Pitfalls

By Randall A. Pentiuik

When purchasing insurance for single-family homes or apartment dwellings, consumers usually purchase very broad and inclusive policies that are relatively simple to shop for. Cooperative housing, in contrast, divides insurance risks among several individuals and entities through multiple insurance policies affording fairly specific coverages. Although the cooperative dweller likely has a fairly simple shopping experience, cooperative directors must consider coverages for the complex as a whole, individual dwellers and for the themselves in their capacities as directors, officers and employees.

The cooperative is comprised, primarily, of the corporation-owned lands and buildings and of individuals spaces possessed by and containing property owned by private dwellers. Furthermore, the cooperative corporation itself is typically overseen by the private dwellers. Other actors in the cooperative are the property managers, employees and outside contractors. Each of these individuals or entities has liability exposures or property interests with respect to their relationships to the cooperative. As such, each has peculiar legal interest that must be protected. Many of these legal interests are properly served through insurance contracts.

Nevertheless, because there are so many interested persons and entities, properly insuring the cooperative in this broadsense is a difficult task. It is generally expected that dwellers obtain their own insurance for their personal liability, but, if appropriate coverage is not acquired, the cooperative may become a party to tort actions. Obviously, damages incurred by the cooperative are transferred to the dwellers, which makes proper insurance a concern of the directors of the cooperative. The same principal holds true in the cases of outside contractors, property managers and even, in the case of directors themselves.

Pages: 1 [2](#) [3](#)

-

-  [Coop Law Blog](#)
 - [NATIONAL HOUSING COOPERATIVES CASE LAW SURVEY \(5/15/15-Present\)](#)
 - [What to do when the EEOC comes knocking?](#)
 - [The Convict Next Door: New Rules on Convictions affect all Cooperatives](#)
 - [Wyandotte Attorney April E. Knoch selected as a Super Lawyer 2012 Michigan Rising Star](#)
 - [Refinancing Your Mortgage?](#)

- **Most Popular Posts**

- [Certified Cooperative Specialist Training in Taylor, MI](#)

- [Co-ops are better, and we can prove it](#)
- [Counting Limited-Equity Co-ops, Research Update, UHAB, February 2016](#)
- [Multifamily Better Buildings Challenge](#)
- [HUD Tracking Travel Expenses](#)

Serving the boards of housing cooperatives nationwide by providing legal educational resources. The information provided herein seeks to assist directors with general information and should not be relied on for specific legal issues nor replaces the need to seek competent legal advice. This website is sponsored by the law firm of [Pentiuik, Couvreur & Kobiljak, P.C.](#) as a free service.

© 2017 [National Cooperative Law Center](#). All rights reserved.

[Home](#) | [About Coops](#) | [Locator](#) | [Resources](#) | [Helpful Orgs](#) | [About Us](#) | [Contact Us](#)