

CR 82-209

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STATE OF WISCONSIN  
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FEB 16 1983

DOUGLAS LA FOLLETTE  
SECRETARY OF STATE

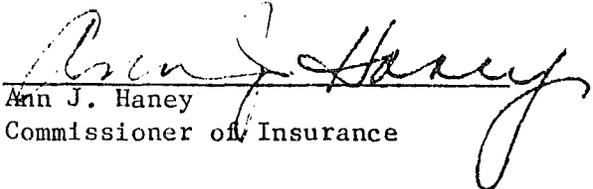
STATE OF WISCONSIN )  
OFFICE OF THE COMMISSIONER OF INSURANCE )

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, Ann J. Haney, Commissioner of Insurance and custodian of the official records of said office, do hereby certify that the annexed order repeals a rule relating to total loss of real property owned and occupied by the insured as a dwelling was issued by this office February 15, 1983.

I further certify that said copy has been compared by me with the original on file in this office and that the same is a true copy thereof, and of the whole of such original.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name in the City of Madison, State of Wisconsin, this 15th day of February, 1983.

  
Ann J. Haney  
Commissioner of Insurance

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4-1-83

STATE OF WISCONSIN  
FILED

FEB 16 1983

DOUGLAS LA FOLLETTE  
SECRETARY OF STATE

ORDER OF THE COMMISSIONER OF INSURANCE

REPEALING RULES

To repeal Ins 4.01 (2) (f) relating to total loss of real property owned and occupied by the insured as a dwelling.

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ANALYSIS BY THE COMMISSIONER OF INSURANCE

Section Ins 4.01 (2) (f) provides that a single family condominium unit shall be treated as dwelling under s. 632.05 (2), Stats. This statute provides that whenever a policy insures real property owned and occupied by the insured as a dwelling and the property is wholly destroyed, the amount of the loss shall be taken to be the policy limits of the policy insuring the property. However, further review of insurance coverage of condominiums indicates that there is very little that the condominium unit owner owns by him or herself. The only thing actually owned in a condominium is the air space within the walls of the unit. The rest of the owner's interest in the condominium is as an undivided interest in the whole. There is joint ownership of the land, the building, the ways adjoining and anything else involved. Each unit owner is nothing more than a joint venturer with the rest of the

condominium unit owners in the entire project. It follows then that if one unit suffers damages to the walls, ceilings, doors, hallways or any other part, the unit owner can't possibly have the loss repaired without affecting the other owners' undivided interest in the same property. The practice then is for each condominium member to surrender his right to purchase insurance to some central authority such as the governing association of the building. The association purchases the entire structural coverage for all units and all common ways and common facilities.

The condominium member only purchases insurance to cover: 1. Personal property owned or used by the insured, 2. Unit owners' building additions and alterations to that part of the building within the unfurnished interior surfaces of the perimeter walls, floors and ceilings, and 3. Bodily injury and property damage coverage for the individual premises. This protection can be purchased through a renter's type policy.

Because the ownership of a condominium does not appear to fit within the definition of s. 632.05 (2), Stats., paragraph (f) of s. Ins 4.01 (2), is repealed.

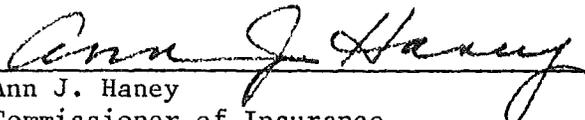
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Pursuant to the authority vested in the State of Wisconsin, commissioner of insurance by s. 601.41 (3), Stats., the commissioner of insurance repeals a portion of the rule interpreting s. 632.05 (2), Stats., as follows:

SECTION 1. Ins 4.01 (2) (f) is repealed.

The changes in this rule shall become effective as provided in  
s. 227.026 (1) (intro.), Stats.

Dated at Madison, Wisconsin, this 15 day of <sup>February</sup>~~January~~, 1983.

  
Ann J. Haney  
Commissioner of Insurance

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