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## South Florida Sun-Sentinel.com

### Lauderhill condo building destroyed by fire lacked insurance, city says

#### Displaced homeowners not eligible for compensation

By Juan Ortega, Sun Sentinel

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A Lauderhill condo building destroyed Friday by a massive fire was left uninsured by its association last year as a cost-saving measure, putting a big hurt on displaced homeowners, city officials said Tuesday.

The condo association president for Park South Condominiums' 1590 Building acknowledged to a city fire marshal that the association canceled its insurance late last year to save money, city officials said. The city did not provide the association president's name.

That decision has left residents whose homes were significantly damaged in Friday's blaze with a financial disaster. The cause of the fire remains under investigation. The building's 30 units are now unoccupied and are being fenced off.

"I was paying maintenance fees and taxes every month. I don't know where that money went," said Lemene Metayer, 64, a condo owner of four years. "We need help."

Lauderhill City Manager Charles Faranda said city staff is trying to determine if federal disaster money or other funding is available to rebuild the structure.

"We can't allow for an unsafe structure to create more hazards and opportunities for bad things to happen," Faranda said.

A Park South association board member, Connie Howard, declined to comment Tuesday afternoon. Other board members couldn't be reached for comment despite several phone calls.

Lawyers with expertise on condo associations say state law requires associations to have insurance to cover emergencies such as Friday's fire.

"Nowhere does the law give the association a right to choose not to carry insurance," said Gary Poliakoff, a Fort Lauderdale attorney whose firm represents about 4,500 associations in Florida.



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Park South homeowners could sue board members, but that would do little good, Poliakoff said. Citing a past Florida appeals court case, Poliakoff said the board members may not be personally liable if they didn't act "in a self-serving manner" when they canceled the insurance.

"Even if [owners] were able to sue the individual directors, are the directors' pockets deep enough to pay the damages? That's slim to none," Poliakoff said.

Robert Friedman, head of the insurance coverage practice for the Gunster law firm in West Palm Beach, agreed.

Florida law "requires associations to use 'best efforts' to maintain adequate insurance. It is not specific on what that means, but fire insurance is as basic as it gets, so in my view dropping fire insurance means the building is not adequately covered," Friedman said.

"Unless the board had a very good excuse for dropping fire insurance, it seems to me that they are in breach of its fiduciary duties to association members," Friedman said. "In my view, a board would have to do everything possible to cut costs before canceling its fire insurance, including reducing basic services to the bare minimum."

Poliakoff said the state agency that investigated lack-of-insurance violations no longer does so.

A state law enacted years ago narrowed the authority of the Division of Florida Condominiums, Timeshares, and Mobile Homes to exclude responsibility for insurance issues, so the division would have less work as it dealt with inadequate funding, Poliakoff said.

Reached after business hours on Tuesday, a division spokeswoman couldn't immediately provide additional information.

If state officials can't step in, Faranda wondered aloud if the city should start identifying uninsured associations and push them to obtain policies.

"We will try to assist in any way we can," Faranda said.

Staff researcher Barbara Hijek and staff writer Julie Patel contributed to this report.

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