

Peachtree Towers Condominium

Water Damage Policy and Procedures

Updated 02/23/26

Water damage is the most common issue affecting Units in Peachtree Towers Condominium. To promote clarity and consistency, the Board of Directors of Peachtree Towers Condominium Association, Inc. has adopted the following policy and procedures to help promptly address leaks and water damage in the building. Please review this important document and save it for future reference.

Disclaimer: The Water Damage Policy and Procedures provides guidance to follow during routine leaks. The specific circumstances may dictate other action.

A. Leak Investigation, Repair and Remediation

1. **Locate the source.** If you discover a leak, immediately try to identify its origin.
2. **Shut off water.** Promptly turn off the water supply to the affected area to prevent further damage. Shut-off valves for appliances and fixtures are commonly located under sinks, behind toilets, or near the water heater. It is important to familiarize yourself with the location of shut-off valves before a leak occurs.
3. **Protect property.** Move furniture and other personal property away from the leak to prevent further damage. Place towels or containers to catch leaking water and minimize damage to flooring and other building components and personal property.
4. **Report leak.** Immediately report all leaks to the Association and the owners and occupants of neighboring units that may be affected. **Leaks should be reported to the Association by calling the Concierge Desk at (404) 524-4423 or (404) 368-4597) and the Office Manager at (404) 524-6190.** Provide clear details about the location and severity of the leak.
5. **Perform remediation and repairs.** **If the source of the leak is determined, or reasonably believed, to be the responsibility of a unit owner, that owner must promptly investigate the cause and arrange for emergency repairs** by a licensed plumber or contractor and professional remediation company. Delays in arranging repairs and remediation may increase liability for resulting damage. **Typically, leaks originating from a unit's kitchen plumbing, bathroom plumbing, or air conditioning units are the maintenance and repair responsibility of the unit owner.**
6. **Document damage.** Take photographs and videos of the leak and any resulting damage and save all estimates, contracts, invoices, receipts and other documents related to the leak to support insurance claims and aid in repair and remediation.
7. **Make insurance claim.** Report the leak to owner's HO6 and cooperate with insurance adjusters. If the Association's insurance policy has water damage coverage and the leak results in damage

that exceeds the Association's insurance deductible for water damage, a claim may be filed under the Association's policy for covered units and common areas.

8. **Inspect repairs.** Once repairs and remediation are complete, carefully inspect the area to ensure the work is satisfactory and there is no ongoing leak.

9. **Association Assistance.**

a. When Association maintenance staff are on-site during regular work hours, they will assist the owner and occupant with the investigation and plan of action to stop the leak.

b. **Major leaks (such as burst pipes, standing water, or active flooding) are considered emergencies. In addition to the unit owner and occupant's efforts, Association's personnel will assist with locating and stopping the source of water and employ outside plumbers and other contractors as needed.** If necessary, the Association may engage a remediation company to prevent further damage. During non-working hours, response times may be longer as locating and assessing the leak can take additional time. **If the leak is minor and determined not to pose immediate risk, repairs may be deferred until regular business hours.**

b. The Association's assistance with a leak and water damage shall not be construed as an acceptance of responsibility for the repairs or remediation and the cost thereof. Affected unit owners may be billed for emergency services performed within their units.

B. Insurance Coverage

1. If the Association's insurance policy has water damage coverage and the leak results in damage that exceeds the Association's insurance deductible for water damage, a claim may be filed under the Association's policy for the affected units and common areas.

2. Unit owners are strongly encouraged to maintain a homeowner's insurance policy (i.e., an HO6 policy) to cover costs not covered by the Association's policy including damage to the Unit that is less than the Association's deductible, damage to personal property, damage to betterments (i.e., upgrades), and the deductible amount that can be assessed back to the Unit Owner.

C. Cause and Responsibility

1. Upon request, Association staff will inform involved unit owners of the cause and origin of the water leak.

2. Responsibility for repair and remediation costs is generally determined as follows:

a. Each unit owner is responsible for maintaining and repairing all portions of their unit in accordance with the Association's governing documents.

b. Emergency remediation costs and repair costs not covered by insurance are typically the responsibility of the unit owner whose unit suffered the damage.

c. If a unit owner believes another owner is legally liable for damages, that is a private matter between the affected owners. At the request of an affected owner, the Association will provide the name and address of the unit owner where the leak originated. However, the Association does not mediate or determine liability between owners.

d. A common question is: “*Shouldn’t the owner where the leak originated be liable to pay for my damages?*” Unit owners should consult with their own legal counsel for advice based on the specific circumstances. The Association does not provide legal advice to owners. For general informational purposes, owners are encouraged to read the attached article entitled, “*Water, Water Everywhere... and Who Do You Think is Gonna Pay?*” by Attorney George E. Nowack, Jr. with NowackHoward, LLC.

D. Summary

The Association’s goal is to promptly address water leaks, protect the building from further damage, and ensure compliance with the governing documents. Unit owners are expected to act quickly in arranging emergency repairs when the leak originates in their unit, particularly when issues involve kitchen or bathroom plumbing or air conditioning units.

**All leaks must be reported immediately to:
Concierge’s Desk – (404) 524-4423 and (404) 368-4597
Office Manager – (404) 524-6190**

Water, Water Everywhere... and Who Do You Think is Gonna Pay?

🏠🏠🏠 By: George E. Nowack, Jr

Water damage is the most common casualty claim in buildings with attached units. Whenever water escapes from a pipe or hot water heater, or an appliance malfunctions or a bathtub overflows, the natural reaction of the owner whose unit is flooded or damaged is: “Someone else has to get rid of the water and repair my unit.” That is especially true when the owner of the damaged unit did not do anything to cause the damage. Being a reaction, it is a conclusion without any analysis of the facts – the who, what, where, and when.

Like a broken clock that is correct twice a day, the conclusion that “someone else” will be responsible for removing the water and repairing the unit is correct only half of the time. A condominium association is liable for damage to a unit only if the claim is covered by property insurance or if the association is negligent in exercising its maintenance, repair, and replacement responsibilities.

Property Insurance

A property insurance policy identifies the building(s) and perils which are covered. Following a loss, an insurer only looks at whether the cause of the damage and the damaged property are covered by the policy. In the absence of an intentional act (i.e. arson, turning the heat off in winter), an insurer pays a property claim regardless of fault. If a unit owner causes a fire by leaving a pot on a stove (IF the policy covers fire) the insurer will pay even though the unit owner’s negligence caused the damage.

Many boards of directors want to either sue an owner or refuse to file a claim on the association’s policy when damage is caused by a negligent unit owner. A board cannot take either of those actions. The reason is because each unit owner is an insured under the association’s policy. Each unit owner pays a portion of the premiums as a part of the annual assessment. That makes each unit owner a beneficiary of the policy, regardless of fault.

Think of it this way. If the owner of a single-family detached house leaves a pot on the stove, that owner pays the premium, is an insured, and will be paid for the damage. A unit owner of a multi-family structure is the same as the owner of a detached house – the unit owner pays the premium, is an insured, and will be paid for the damage.



Whenever water escapes from a pipe or hot water heater, or an appliance malfunctions or a bathtub overflows, the natural reaction of the owner whose unit is flooded or damaged is: “Someone else has to get rid of the water and repair my unit.”



“Water damage” is defined as the sudden and accidental discharge or leakage of water, steam, or vapor from a pipe, appliance, or other contrivance.

Cause of Damage

The Georgia Condominium Act (“Act”) requires a property insurance policy to cover the perils of fire, windstorm, hail, automobile, aircraft, riot, civil commotion, vandalism, explosion, and malicious mischief. That coverage is known as Fire & Extended Coverage (“Fire & EC”). You should have noticed that water is not a peril that is a required coverage under the Act. Therefore, no assumption should be made that an association’s insurance policy covers water damage.

If a policy includes water as a covered peril, it is generally referred to as “water damage” coverage. “Water damage” is defined as the sudden and accidental discharge or leakage of water, steam, or vapor from a pipe, appliance, or other contrivance. It does not include water that leaks through a foundation, a roof leak, water that backs up through a sewer or drain, or a flood.

The who, what, when, and where must be addressed to determine if a water claim is covered.

The following examples explain water damage coverage:

- a. A common element water supply line breaks/ develops a leak. It is sudden and accidental. The policy will pay, subject to any deductible, to repair the damage to the Unit. The policy does not pay to repair/replace the water line.
- b. Following a few days of rain, water enters a Unit through a foundation wall or floor. That damage is not covered.
- c. A dishwasher in a unit leaks, causing damage to the unit and adjacent unit(s). It is sudden and accidental. The policy will pay, subject to any deductible, to repair the damage to the unit and the adjacent unit(s), but will not pay to repair the dishwasher.
- d. If a tree root clogs a sewer or drain that then causes a back-up of water into a Unit, that damage is not covered unless the policy expressly covers that peril.
- e. Damage caused by flood waters is not covered by a standard property policy. Flood insurance is a separate policy.

Section 94 of the Act authorizes an association to impose a deductible of up to \$5,000 per unit for a claim required to be covered by the Act. Since the Act does not require water damage coverage, the \$5,000 limitation does not apply. There is NO limit on the amount of a deductible for water damage which can be imposed on a unit owner.

Go back to example (a). Assume the damage to the unit is \$5,000 and there is a \$10,000 water damage deductible per unit. The owner of the damaged unit would not receive any money from the insurer, since the damage is less than the deductible. The unit owner would pay the \$5,000 to repair the damage to the unit.

What Property is Insured?

If an association has an insurance policy which includes water damage coverage, the property that is covered relates to the unit, such as walls or floors, cabinets, appliances, HVAC system. The association’s policy does not cover the personal property of a unit owner. Personal property is clothing, furniture, books, televisions, etc... in other words, items in a unit, not part of the unit. If personal property is damaged, the cost of repair or replacement is the responsibility of the owner.

What if the Association's Policy Does Not Include Water Damage?

In the above examples, water flowed from items that were either the maintenance responsibility of an association or a unit owner. If it was a covered claim, the property insurance policy paid, subject to any deductible, without regard to fault. When an association's policy does not include coverage for water damage, fault determines if the claim is covered by property insurance. Rather than a property claim, the claim becomes a liability claim against either an association or a unit owner, depending on who is responsible for the maintenance of the pipe, appliance, etc. that leaked.

Liability insurance covers claims for bodily injury and property damage caused by an insured. Coverage is totally dependent on whether the insured was negligent. A claim for negligence requires proof that a person owed a duty to someone else, the person breached that duty, and the breach was the cause of the damage. That concept is explained by the following two examples:

- a. An owner of a washing machine has no indication the water supply line is ready to rupture. Owner comes home to find unit and adjacent unit(s) flooded.
- b. Same owner, same washing machine, EXCEPT, owner has repeatedly wrapped small holes in the supply line with duct tape. Owner returns home to a flood in unit and adjacent unit(s).

In example (a), the unit owner would not be liable for the damage to any of the adjacent units. The unit owner was not negligent because there was no breach of duty. The adjacent owners would be responsible for all expenses to fix their units. In example (b), the unit owner was negligent because there was a breach of duty: the owner knowingly failed to properly maintain (i.e. repair) the leaky supply line. That owner would be liable for the neighbors' damages.

Liability insurance covers claims for bodily injury and property damage caused by an insured. Coverage is totally dependent on whether the Insured was negligent.

In example (a), the owners of the damaged units will not like that outcome because they did not do anything wrong. But, neither did the owner of the washing machine. Each owner will be responsible for the cost to repair the damage to their own unit.

NOTE: The result would be the same in both examples if the washing machine was a common element. In example (a), the association would not be liable for the damage to the units and would be liable in example (b).

Unit owners can avoid out of pocket costs to repair a unit by carrying their own insurance. A unit owner's policy is known as an HO-6 policy. It provides property, liability, and personal property coverage.



What About a Leaky Roof?

Rain that enters a unit is not water damage. Coverage is determined by what caused the rain to enter a unit. If a tree limb falls on a unit during a storm and the tree limb punctures the roof, the damage caused by the rain is covered. Why? Because the cause was a windstorm and the rain damage was a consequential damage. If a shingle wears out, damage

caused by rain is NOT covered because it is not a covered peril under Fire & EC, the cause is wear and tear. Even if the policy had special form coverage, which provides broader coverage than Fire & EC, wear-n-tear is an exclusion in all property policies.

Damage caused by a roof leak oftentimes turns into a liability claim when the roof is the maintenance responsibility of an association and the damage is not covered by an association's property policy. Unless the source of a leaky roof is obvious, the ability to pinpoint a roof leak is an inexact science. The place the water exits is obvious; however, tracing the leak to its source can be a series of trial-and-error tests based on a roofer's experience.

As with damage caused by a broken water pipe, an owner of a damaged unit assumes an association is responsible for repairing a stain on a ceiling that results from a roof leak. As with a broken pipe, that assumption is not correct; negligence must be established to win a liability claim. The inexact science of roof leaks makes them more challenging in determining if an association breached its duty. Normally, an owner becomes aware of a roof leak with the appearance of a ceiling stain. If the owner reports the leak and the association acts promptly and diligently to repair the leak, the association is not responsible for repairing the stain. It is not liable because it did not breach its duty to maintain the roof.

Rather than successfully finding and repairing the source of a roof leak, assume the next time it rains, the roof again leaks and causes more damage to the ceiling. A roofer is called and, based on experience, thinks he has it fixed that time. Is the association responsible for the additional damage? What if the roof leaks one more time, causes more damage, and the roofer determines the water is entering a hole in a shingle that is 50-feet away, traveling along a beam and then leaking into the unit. Was the association ever negligent? If so, when? There is no answer.

If the owner sues the association, a court will have to determine if the action of the board was both reasonable and appropriate. A court will look at the response of the roofer; were the first two attempts to locate the source of the leak reasonable and appropriate (i.e. something the average roofer would do), etc. If the court rules that the board's actions were sensible, rational, logical, and sound, then there would be no negligence and no liability. If a court found there was negligence, the liability insurance policy would pay for the damage.

Water damage claims are inevitable in buildings with attached units. Who pays the cost to repair the damage depends on whether the association's policy includes water damage coverage or if the association or unit owner was negligent.

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