

Condo Smarts

Headline: Family Warehousing

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Dear Tony: Thank you for the recent articles on insurance. They have helped us understand the complications in the industry and the cause for our dramatic increases. Our strata in the lower mainland is a 48 unit 4 floor apartment condo with a single elevator and underground parking garage. We had an impeccable claims free history until last year, and only recently have we become aware of the real problem. Several units sold in the past 3 years to families who have helped an aging parent downsize from their homes and into a condo, when they should really have been moved to an independent support style of living. Between 2018 and 2019 we had 6 claims on our insurance, all of which were related to residents forgetting they were running a bath, overfilling a washing machine, ignoring a chronic leak and several stove fires. In each event the resident/owner was responsible for the claim and we recovered our cost of the deductible; however, this year our deductible has gone from \$25,000 to \$100,000 and our policy has increased fourfold. Our monthly strata fees are now contributing an additional \$325 just to pay the building insurance. As all of the previous claims were below \$100,000, any likely future claims will also come from our reserves or against the units that cause the damages. Our council has come to realize our building has been used to warehouse family members so the families can avoid the high costs of supportive living facilities. One of the family members told us she had no intention of moving her mom to a facility for supportive living as this would liquidate their inheritance. Why should the remaining owners be exposed to these extraordinary risks because they have been warehoused by their families?

Jenny G.

Dear Jenny: With an aging population, compounded by the cost of real estate, low investment returns, the shortness of rental and retirement housing and the cost of supportive care living in a variety of stages, owners and their families are gauging closely how to manage retirement assets and support. Everyone is in agreement, if the conditions are possible, the best place for any person is their own homes. If capable, we generally live healthier in our own environments.

Unfortunately, most residents who have reached the point of being incapable of safe independent living are often only identified when a crisis develops. In a strata corporation the residents and strata council experience the direct result. If the affected resident or family members do not respond, cooperate, or the resident has no family, the strata council, owners and residents are often the first line of care.

While condo living in large shared facilities has evolved to become a popular form of residency, the policies, legislation and culture of condo living is far behind the demands of our aging population. Until a better form of intervention is developed to evaluate residents and permit a government authority to take action when the residents are at risk, a strong social network within your building and with the family members is the best solution. Education of owners and residents is a critical start.

Many of the calls our office receives are often owners and residents looking for a plumber or electrician or someone to service their fire place or furnace. A check list that is posted inside resident doors to remind owners to check that their plumbing fixtures are turned off, the laundry is finished, the stove/oven is off, doors and windows are locked, who to call in case of a

problem or questions, where to deposit garbage, and emergency services contacts will be a great start.

Annual or more frequent inspections of all strata lots is also valuable. While smoke alarms not connected to the building fire system are frequently an owner responsibility, it is probably in the best interest of the strata corporation to adopt a bylaw to perform all fire safety obligations to confirm they are done. A list of all owners/residents and their family members and contacts maintained by council will also be essential.

Advising owners and family members about their duties and the real consequences of problems may be sufficient to pre-empt a crisis. Are your owners aware that if there is a claim on the policy over \$100,000 and the owner/resident is responsible for the claim, the strata corporation will seek to recover that amount from the owner? Are all owners and residents in the building aware in the event of a claim below \$100,000 that does not result in an insurance claim each owner will be responsible for the repair of their strata lots? Many owners, tenants and residents are genuinely surprised to discover their units will not be repaired by the strata corporation and will be their responsibility if the amount is below the deductible and there is no claim filed.