

Condominium Home Owners Association

A non-profit association serving strata owners since 1976

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Condo Smarts

Headline: Everything's covered with proper policy

Topic: Strata insurance

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Combine an active three-year-old Lab, nasty 14-year old cat and a 50-gallon fish tank – all on the sixth floor of a condominium – and it spells disaster. A Burnaby couple arrived home one night to see restoration and plumbing trucks in front of the building. The horror was behind their door. Their beloved pets had knocked over the fish tank and flooded four floors below. The horror continued when they realized they were responsible for paying the deductible fee, for negligence or cause, and that their building deductible for water escape is \$12,500 because of the number of claims in the building. What about their insurance? Were they covered? Who is to pay?

deductible, in this case \$200, the couple's insurance has covered the \$12,500 deductible. Strata insurance has many variations, clauses and limitations. Investigate all the options when you are shopping for your next policy. Closely review all policies to make sure you have the best coverage possible.

Strata Law: The strata property act requires the strata corporation to insure the common property, assets, buildings shown on the strata plan and original fixtures built or installed on a strata lot as part of the original construction. The strata must insure against major perils set out by the regulations (including water escape) and the basis of full replacement value. Owner's insurance is optional.

Tips: Happily the owners have an excellent policy that includes a small deductible to cover the strata corporation's large deductible if they are liable. It is commonly known as a "buy back" or "buy down" deductible. So for a small

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