

# Condominium Home Owners Association

A non-profit association serving strata owners since 1976

Bulletin: 300-143

## Condo Smarts

Headline: Keep eye on law

Topic: Insurance claims and special levies

Publication date: September 4, 2005

Publication: The Province

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**Dear Condo Smarts:** As the new owner of a large townhouse I am very concerned that my strata corporation is doing something against the law. I moved in on August 15th, and on the 22nd I received a notice of a special levy for \$858 for an insurance cost. I had no notice of a meeting, and neither the sellers nor the council informed me of the pending levy. Don't the owners have to pass a special vote for a levy before it is collected? Mary J. in Coquitlam.

44 units was correct. The strata was not acting illegally, but had simply been negligent. CHOA recommends proper maintenance to avoid rising claims and insurance costs, and also recommends that owners, landlords and tenants maintain proper personal content insurance. Your homeowner insurance, if properly negotiated, can provide additional coverage for deductible amounts, saving both you and the strata corporation the high costs.

**Strata Law:** The Act requires that in order to collect a special levy, the corporation must convene a general meeting of the owners, with proper notice that includes the wording of the proposed levy in the form of a 3/4 resolution. Then a 3/4 vote of the eligible voters present at the meeting, voting in person or by proxy, must approve the resolution. There are some exceptions however. An insurance deductible that must be paid by the strata corporation as a result of a claim, such as a building fire, water escape, or injuries, may be levied or taken from the reserve fund without the strata corporation approval. The levy is a common expense, and is calculated based on unit entitlement. It does not need a 3/4 vote.

**Tips:** Mary J.'s strata had been avoiding piping replacement, and as a result had several insurance claims for water escape. The deductible had reached \$25,000, so the cost of \$858 each for the

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