

Condominium Home Owners Association

A non-profit association serving strata owners since 1976

Bulletin: 300-154

Condo Smarts

Headline: Who pays insurance deductible?

Topic: Insurance

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Dear Condo Smarts: Our strata council recently had to deal with a fire in a dryer in our building's laundry room. One owner had inadvertently put latex underwear into the machine and left the machine unattended. Our service company has been very good about replacing the damaged unit but we were left with a \$10,000 deductible and smoke damage throughout the building. Why should the rest of the owners be left with the costs because one person is careless? Can we recover the cost of the deductible from the owner?

- Carol Lo, Vancouver.

Dear Carol: An insurance deductible is a common expense of a strata corporation. The strata may pay the amount from the reserve fund, operating fund or levy the owners directly for that amount. If the strata had amended its bylaws to make an owner responsible for paying the deductible if they have caused the claim or been proved to be negligent, then the strata may be in a position to recover this amount. Likewise, the strata may also consider a court proceeding. Bylaws that address "who pays" when there are damages and related causes are very important. They may also affect the ability of the owner to claim this cost on their home owner insurance. If your strata have not already done so: a sign in your laundry room clearly limiting the articles that may be used would be effective. As well, adopting rules that govern the use of your laundry facilities can provide more enforcement and notice.

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