

Condominium Home Owners' Association

Serving BC's Strata Property Owners since 1976

Bulletin: 300-261

Condo Smarts

Headline: Renter ruins suites: Who pays?

Topic: Insurance: Landlord / tenant policies

Publication date: January 20, 2008

Publication: The Province

Written by: Tony Gioventu

Part one of a five-part series on strata insurance

Dear Condo Smarts: I have been renting out my strata unit since 1975. Over that period, I've been fortunate to have only three tenants. However, my recent tenant has been troublesome and caused a great deal of damage in our building.

He decided to undertake some repairs to the unit plumbing and install taps and hook into the drain for a washing machine and dryer. I'm sure your readers can imagine what's happened. There's been a major flood and damage to over half of the suites in our eight-floor building.

I had only recently inspected the unit and all was well, but within a day of my last visit, I gather the strata corporation received complaints about noise and construction going on in the unit. Unfortunately, no one ever investigated the complaints and we, as the owners, were never contacted until the damage was done.

The tenant has secretly moved out and we're advised that we have to pay the \$25,000 deductible. We thought the deductible was a common expense of the strata. Can they make us pay for something that we are not responsible for?

-- Dave Harris, White Rock

Dear Dave: Whether it is an insurance claim, bylaw violation or some other action required by the strata corporation to enforce its bylaws or rules -- and this often includes the recovery of damages associated with insurance claims -- landlords need to know they may likely be on

the hook for the costs if their tenant is unwilling or unable to pay.

Landlords need insurance coverage, just as the owners who live in their strata lots do. While the amount of contents owned by the landlord might be minimal, they still need coverage for improvements made to the strata lot, to protect themselves should a liability suit be brought against them and, lastly, for coverage if the strata corporation's deductible is assessed to them.

Russ McMurchie of Coastal Insurance warns that not all policies provide adequate coverage for the strata corporation's deductible, but that it is available.

When owners rent their units out, they should know what the strata corporation's deductible is, especially for water damage, and they should make sure that their unit-owner policy has adequate coverage.

Exemptions under landlord policies may include home-based businesses, illegal activities such as grow ops or meth labs, human-rights claims or, in some cases, unauthorized alterations to property resulting in damages and claims. Some landlords simply add an extension to their homeowner policy rather than purchase a separate rental-type policy to cover the risks.

Be honest about your intentions when purchasing your insurance and remember, no two policies or conditions are the same. If you're renting to a long-term tenant or renting for a short term, such as a vacation rental, policy limitations and conditions may vary significantly. Bottom line: Are you properly covered?

For more information on CHOA resources and benefits visit www.choa.bc.ca
or contact the office at 1-877-353-2462 or email office@choa.bc.ca.

No part of this publication may be reproduced without the prior written permission of CHOA

This publication contains general information only and is not intended as legal advice. Use of this publication is at your own risk. CHOA will not be liable to you or any other person for any loss or damage arising from, connected with or relating to the use of this publication or any information contained herein by you or any other person.