

Condominium Home Owners' Association

Serving BC's Strata Property Owners since 1976

Bulletin: 300-265

Condo Smarts

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Written by: Tony Gioventu

Dear Condo Smarts: Our strata corporation was built in 2007 and our owners have just held their first AGM. Several questions came up about insurance at the meeting that we need your assistance with. The developer has prepaid for insurance for a 1-year period and is wanting to be reimbursed for the remaining 8 months that he prepaid. The problem we are having is that no one has a copy of the insurance policy and we don't know what we are insured for? Is it possible that the existing policy is sufficient for the balance of the year? Can the owners have a copy of the insurance policy? B. Roberts, Coquitlam

Dear B: Buildings under construction, major renovations or major warranty claims may have different insurance than buildings that are occupied. Course of construction insurance will cover for damages to the constructed or partially constructed buildings and the assets contained within the buildings, but they will likely not cover the liability of the strata corporation or its owners as it do not yet exist. Pat Smith from Cooperators Insurance recommends that strata owners and councils must review the strata insurance policy as soon as they take possession of their new homes. Confirm there is proper insurance coverage for the major perils set out in the Act, directors and officers liability, occupancy, and an appraised value for the common assets. Once the strata plan is filed the strata corporation comes into existence along with all of its liabilities and obligations. Also confirm that the policy names your strata as the policy

holder. Your legal name is: "the owners, strata plan (ABC1234)".

One part of the Act that everyone forgets is that named insured's in a strata policy automatically include the strata corporation, owners, tenants and persons who normally occupy strata lots. This means owners, tenants and occupants have a right to access the insurance and the strata corporation must provide them with copies of the insurance information on request. After all, they are paying the costs through their fees and it is their insurance as well. There are also practical reasons for providing copies of the insurance to owners, tenants and occupants. If they don't know what the strata is insured for, how can they responsibly purchase homeowner, landlord or tenant insurance that covers items or risks that may be omitted in the strata policy? Likewise, how do the owners know if the strata is properly insured and has paid for the insurance, if the owners are not provided with an annual copy of the insurance? Items like earthquake, tsunami, directors' errors and omissions and fixtures built on a strata lot that were not part of the original construction are all options for the strata to consider. If they are not covered under the strata policy, homeowners may want to investigate their home owner insurance options to cover these risks. It's no one's fault but your own if you are not properly insured, or fail to insure your personal risks and assets. Consult with an insurance broker in BC before you assume everything is covered.

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