

Strata Living

Headline: Who repairs my ceiling?

Topic: Repair & Maintenance; Repair of strata lot

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Dear Tony: There is a lot of confusion in our building about who is responsible for damage to strata lot when there is a flood upstairs. We have had a few claims in the past 5 years, and most of them have been caused by an owner over flowing a tub, a toilet over flow or a flooded washing machine. The strata council and property manager have told us that it is always each owner's responsibility to repair their own strata lot. However, owners have just found out that an insurance claim was filed on the strata insurance for damages to an owner's strata lot resulting from a flood and the strata corporation paid for the deductible from the contingency fund. Both units were owned by council members, and neither paid the deductible cost or claimed the amounts on their home owner's insurance. How is the decision to file a claim made?

Jason Peters

Dear Jason: A strata corporation has a duty to maintain full replacement value insurance on common property, common assets and the fixtures of a building installed/constructed by the owner developer. When there is a leak from a unit, the original finishing such as flooring, drywall, insulation and cabinets are included in the obligations of the strata corporation as part of an insurance claim on the strata corporation policy. However, if the total amount of the claim and restoration is below the deductible, the strata lot owners, will generally be responsible for the maintenance and repair of their strata lots, which will include the damaged ceiling in your strata lot.

One of the pitfalls of the claim process is that strata corporations unwisely attempt to deny or minimize claims to avoid increases in insurance costs and deductibles. While this may limit the cost for the strata corporation, it does not limit the liability of owners, and often results in moisture or damages not being properly remedied in the building, resulting in damages and mould that may create long term health and property issues. The first call in the event of a claim is to the strata insurance provider. An adjuster will be provided to identify if there is a claim to be processed and the order for restoration will be issued for the insured assets. Owners are also named insureds on the policy and may contact the strata insurer directly if the strata is refusing to file the claim, although the claim is best represented by the strata council.

The strata council do not have the authority to randomly deny or approve a claim. The same procedures should apply to every incident regardless of ownership, and in the event a strata lot has been responsible for the claim, the strata corporation should also be seeking to recover the amount of the deductible that was generated. Home owners need to be aware that they may be responsible for these costs and obtain proper insurance. Insurance claims in strata properties are complicated and often impacted by the bylaws of a strata corporation, the circumstances of the claim, the designation of property and the terms and conditions of insurance contract. Contact your insurance broker as they are a valuable resource in sorting out the claims process.

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