

INFORMATION SHEET

Insurance

One of the most common questions and certainly the most confusing aspect of high rise condominium living is insurance. Who insures what? Who pays for what? And Why?

INSURANCE BY THE CONDOMINIUM CORPORATION

Condominium Corporation's Insurance Policy

In accordance with the Condominium Act and your Condominium Corporation's Declaration, the Condominium Corporation purchases, on a yearly basis, an insurance policy which generally covers:

- 1) the common element areas of the building; and
- 2) each standard unit (as defined by the Declaration or by a Standard Unit Bylaw). This policy is subject to a deductible amount, which may, dependent upon the circumstances be charged back against a unit owner.

This policy also usually provides general liability insurance as well as Directors' and Officers' Errors and Omissions insurance.

Insurance Deductible Bylaw

- 1) The Condominium Act provides all Condominium Corporations with an opportunity to pass an "Insurance Deductible Bylaw" which clearly sets out who is responsible for the payment of the Condominium Corporation's deductible amount after damage to a standard unit or to common element areas.
- 2) To date, CCC 145 has not successfully passed this bylaw.
- 3) The lack of an Insurance Deductible bylaw is of concern to the various insurance carriers who have been approached to provide insurance for the condominium in recent years.

Impact of Claims on Condominium Corporation's Policy

- 1) If a claim is filed through the corporation's policy, a claims surcharge is applied impacting preferred rating. Potential impact is typically anywhere between 5% - 20%. The policy will be impacted by this claim for a period up to seven years;
- 2) Frequent claims will result in an automatic increase of deductible amounts while maintaining the same premium. Deductible amounts may be increased upwards of \$100,000 for items such as water damage;

- 3) An extensive claims history may result in cancellation of or refusal to renew the policy by the insurer. Cancellation of the policy and claims history would make it very difficult to find another insurance provider.

INSURANCE BY THE UNIT OWNER AND / OR THE UNIT OCCUPIER (TENANT)

The Unit Owner's Insurance Policy

Because the Corporation's insurance policy only covers damages in a private suite up to the Standard Unit, Owners are strongly encouraged to purchase their own insurance policy to supplement the Corporation's policy. The unit owner's insurance policy should cover:

- 1) The contents of the unit (all of your personal belongings) – including the cost of packing, moving and/or relocating your personal belongings off-site in the event of an insurance loss in your suite or in the event you are displaced from your unit for major repairs after damages have occurred;
- 2) Any improvements or “betterments” that have been made to the standard unit (upgraded cabinets, upgraded flooring, etc.) – this includes improvements that you may have made or that any previous owners may have made in your suite;
- 3) Living expenses for you and your family in the event that you are displaced from your unit in the event of an insurance loss or significant damages have occurred in your unit;
- 4) Liability insurance in the event of accidents and/or other events for which the unit owner might be liable (recommended level is a minimum of \$2,000,000);
- 5) An amount equivalent to the amount of the Condominium Corporation's insurance deductible. The Corporation's insurance deductible amount may change from time to time – it is important to review the Insurance Certificate which is issued by the Condominium Corporation each year to all registered Owners.

Tenants' Insurance Policy

If the Unit is rented – the tenant should also purchase insurance – known as “occupiers' insurance”. This policy should cover:

- 1) The contents of the unit (all of your personal belongings) – including the cost of packing, moving and/or relocating your personal belongings off-site in the event of an insurance loss or significant damages in the suite;
- 2) Living expenses for you and your family in the event that you are displaced from your unit in the event of an insurance loss or significant damages in the suite;
- 3) Liability insurance in the event of accidents and/or other events for which the unit tenant might be liable.

What About Losses Incurred in the Garage or in Locker Rooms?

- 1) As a vehicle owner, you are required by law to maintain insurance for your vehicle. Dependent upon your policy details, this will include liability insurance as well as some form of damage, theft and fire insurance.
- 2) If you are the victim of a car break in while your vehicle is parked in the garage, (or locker break in), your own insurance policy is responsible to cover the loss(es) – dependent of course upon any limitations to your policy. The Corporation's insurance policies do not include coverage for vehicles, personal items stored in vehicles and / or lockers. **PLEASE REPORT ALL SUCH INCIDENTS TO THE ON SITE BUILDING MANAGER'S OFFICE– SO THAT SECURITY VIDEO FOOTAGE MAY BE REVIEWED AND TURNED OVER TO THE PROPER AUTHORITIES.**
- 3) If you are involved in an accident in the garage, or if you collide with a wall, post, garage door, your insurance company is responsible for all of the resulting damages (both to your car and potentially to the common elements of the building). **PLEASE REPORT ALL SUCH INCIDENTS TO THE ON SITE BUILDING MANAGER'S OFFICE – SO THAT SECURITY VIDEO FOOTAGE MAY BE REVIEWED AND TURNED OVER TO THE PROPER AUTHORITIES.**
- 4) In the event you feel you are not at fault for an incident in the garage (for instance you believe the garage door malfunctioned and hit your vehicle), your insurance company is still responsible for the damages to your vehicle. In this case, after having provided you with compensation, they may choose to launch a claim against the Condominium Corporation for subrogation to determine whether any funds can be recovered.

TIPS TO AVOID CLAIMS

- 1) Ensure proper maintenance of unit, especially plumbing fixtures. The leading cause of condominium claims are from water damage;
- 2) Keep windows and patio doors closed during the heating season to avoid pipes freezing;
- 3) Ensure the unit heat is left on at a moderate level during away periods;
- 4) Turn off water shut off valves during extended periods of time;
- 5) Turn off stove after use and do not leave unattended;
- 6) Always ensure someone is attending your unit during prolonged periods of absence from your unit;

For more information on the Corporation's insurance policy or a unit owner's insurance responsibilities, please do not hesitate to contact your Property Manager at:
desservices@rogers.com