

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?

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 of 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.

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;
- 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 owner may have made in your suite;
- 3) Livings expenses for you and your family in the event that you are displaced from your unit in the event of an insurance loss;
- 4) Liability insurance in the event of accidents and/or other events for which the unit owner might be liable (recommend \$2,000,000);

- 5) An equivalent to the amount of the Condominium Corporation's insurance deductible

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 in your 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;
- 3) Liability insurance in the event of accidents and/or other events for which the unit tenant might be liable.

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%. Policy is impacted by this claim for a period up to six years;
- 2) Frequent claims will result in an automatic increase of deductible amounts while maintaining the same premium. Deductible amounts may be increased up to \$25,000 for items such as water damage;
- 3) An extensive claims history may result in cancellation of the policy by insurer. Cancellation of policy and claims history would make it very difficult to find another insurance provider

TIPS TO AVOID CLAIMS

- 1) Ensure proper maintenance of unit, especially plumbing fixtures. 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) Turn off stove after use and do not leave unattended

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