

Condominium Unit Owners Insurance Checklist

In•Site offers this check list to help unit owners with their purchase of insurance. Unit owners are encouraged to take this list to their personal insurance provider. Get verification of each of the coverages.

CONDOMINIUM UNIT OWNERS COMPREHENSIVE FORM

The following features are drawn from the Insurance Bureau of Canada Form IBC 1167

<input type="checkbox"/>	Personal property Replacement cost value
<input type="checkbox"/>	Additional living expense Suggest 50% of Personal property amount or <input type="checkbox"/> Fair rental value - 100% of annual rent/rental value on rented units
<input type="checkbox"/>	Unit improvements and betterments including upgrades Replacement cost value
<input type="checkbox"/>	Loss Assessment Common Property and Liability assessment risk
<input type="checkbox"/>	Unit Many policies give 2.5 x Personal property amount
<input type="checkbox"/>	Additional Protection Also pays the difference between corporation-purchased property insurance deductible and unit owner policy deductible <input type="checkbox"/> Check to ensure there is no deductible exclusion
<input type="checkbox"/>	Personal Liability Ask for \$1,000,000 or more
<input type="checkbox"/>	Voluntary Medical Payments Usually \$1,000, may be more
<input type="checkbox"/>	Voluntary Property Damage Usually \$500, may be more Plus <input type="checkbox"/> Jewelry, watches, furs, boats, cameras, computers, land, cottages, rental properties, hearing aids, boats, RVs, etc.
<input type="checkbox"/>	Declare everything this is not a complete list

CHECKLIST TIPS

Personal property

Add up the replacement cost value of all your furnishings, household goods and supplies, food, appliances (other than appliances in the unit when it was originally built), clothing, linen, personal tools, toys, personal computers, etc. including applicable taxes.

Additional living expense

Many insurers give an amount of coverage equal to 50% of the amount of property insurance selected

or, if you rent your unit out,

the **Fair rental value** of your unit. Inform your insurance provider of the 100% annual rent/rental value of the unit.

Unit improvements and betterments -

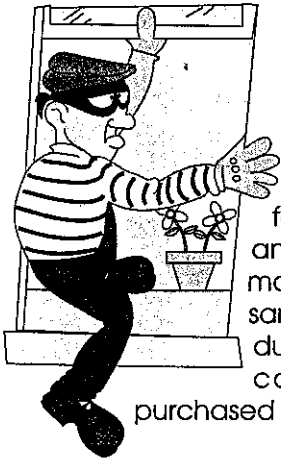
including upgrades. This, too, is on a replacement cost basis, including labour and taxes. Be sure to ask for enough.

Loss Assessment

Your Insurer pays for your part of a special assessment levied on unit owners because:

1. it is made necessary by a direct loss to the collectively owned condominium property caused by an Insured Peril, or
2. of a liability claim for an occurrence that takes place during your policy term. The limit is included in your personal liability limit.

You must inform your Insurer immediately you are aware of an incident that could result in a claim and you must pass on to your insurer any legal documents and any other written communications you receive concerning the assessment.



In both cases, your insurer will not pay for any part of an assessment made necessary by a deductible in the corporation-purchased insurance.

Unit

If the condominium corporation has no insurance on your unit, its **Additional** insurance is inadequate or is not effective, this coverage pays the **Protection** deficiency to repair or replace your unit. "Inadequate" includes a deductible in the insurance policy of the condominium corporation.

This coverage pays the difference between the corporation-purchased property insurance deductible and your unit owner policy deductible, *if your policy is appropriately worded.*

Check to ensure there is no deductible exclusion in your policy.

Personal

World wide personal liability protection for you and your family arising out of **Liability** most personal activities. This is not auto liability and you must declare any recreation vehicles including boats, etc. to have coverage.

Policies generally provide \$1,000,000 coverage - you can get more.

Voluntary Medical Payments

Pays reasonable medical expenses as defined in your policy if you unintentionally injure another person or if they are accidentally injured on your premises. This coverage is available even though you are not legally liable.

Usually \$1,000, may be more

Voluntary Property Damage

Pays for unintentional direct

damage you cause to property of others even if you are not legally liable.

Usually \$500, may be more

And

Declare everything to your insurance provider, including jewelry, watches, furs, cameras, computers, land, cottages, rental properties, hearing aids, boats, RVs, etc.

This way, your insurance provider can offer you the available options and the cost of them.

Contributed by Hugh Falconar, F.C.C.I. with the kind help of Louise Bremness, F.C.I.P., Insurance Bureau of Canada

SPECIAL NOTES

Coverages that warrant special attention are:

1. **Loss Assessment** insurance is not for special assessments made necessary by degraded building components, underground infrastructure, parkades, etc. Insurance no more exists for these things than it exists for rusty or worn out cars.

What the coverage is for is if the condominium corporation:

- (a) passes a valid assessment for damage to the collectively owned (common) property caused by an Insured peril - that is, a peril within the scope of the property insurance of your policy, or
- (b) is sued for bodily injury, death or damage to property of others in excess of the limits of the corporation-purchased liability insurance. In such a case, the corporation would have to assess the unit owners for the shortfall.

2. **Unit Additional Protection** insurance is for the chance of the condominium corporation having no insurance on your unit, its insurance being inadequate or not effective. The Insurance Bureau of Canada has agreed that the word "inadequate" includes reference to a deductible in the corporation purchased insurance on units that is greater than \$500. The IBC felt that condominium unit owners should be in no worse a position than people insured by homeowner and tenant package policies whose usual deductible is \$500.

A benefit of the coverage is that it includes the intent to pay the difference between the unit owner policy deductible - usually \$500 - and the higher deductible in the corporation-purchased policy.

Even though the vast majority of insurance companies belong to the Insurance Bureau of Canada, not all go along with this thinking. The unit owner has to look for an insurance company that does provide the coverage that is included in the IBC recommended Form for condominium unit owners.

3. **Condominium Contingent Insurance**

What this means is anybody's guess. There is no standard form for such a thing. If such a coverage is mentioned in your policy, read the clause to find out what it gives.

Check your policy wording

or have your insurance provider explain any differences between this checklist and checklist tips and what you are actually getting. Although IBC Form 1167 is a 'benchmark' form, individual insurance companies are free to offer their own policy wordings.