



Strata Insurance Explained in a Rapidly Changing Market

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Topics for Discussion

The Rising Cost of Insurance – in General

- Increased claims worldwide
 - Pre Covid
 - Post Covid
- Loss of Investment Income

Rising Costs Pertaining to Strata Insurance

- Insurers vacating market
- Large Property Schedules
- Rating on Vancouver Island
- Earthquake Loading

Notes

What information is Required to Obtain a quote?

- Location address
- Current Insurer and Expiry Date
- Underwriting information
 - Age, construction, # of storeys, type of heat, roof, plumbing
 - Updating to Roof, Plumbing, other systems
 - Fire protection (alarms, sprinklers, etc)
- Claims History – 5 years
- Coverage Required
 - Building limits
 - Liability limits
 - Other coverage (D&O, Volunteers, Legal Expense, etc)

Notes

Red Flags for Insurers

- Older buildings (pre 1990)
 - Updates, Type of Plumbing, Regular maintenance
- Loss history
 - Frequency and Severity
- Large accumulations of Property
- Multi Level Buildings vs Townhouses

Notes

What can Stratas do to “Attract” an Insurer?

- low claims frequency – be smart in using the policy
- be diligent in updating building systems – plumbing, roof
- work with all owners to manage risks
 - access to water shut off valves,
 - upgrade washer hoses to braided steel
 - replace Hot water tanks before they fail
 - restrict hazardous activity such as smoking, BBQ’s on balconies, etc
- follow the recommendations of the Depreciation report
- few short term rentals permitted

Notes

What to do if terms have changed dramatically?

- communicate with your Broker in advance
- look for alternate terms with another Broker
- accept a higher deductible for a premium reduction
- use technology to help mitigate losses (eg. water sensors)
- seek a legal opinion if unable to obtain full replacement value

Notes

What does the Future Hold?

- Crystal Ball?
- COVID?
- Hard market duration?

Notes