

ATTENTION: CONDO OWNERS

Important Insurance Changes You Need to Know

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Effective January 1, 2020, Condominium Corporations will be able to seek recovery of the deductible portion of the Corporation's insurance claim (up to a maximum of \$50,000) from an Owner for damages that originates from the Owner's unit or privacy area.

This "absolute liability" means regardless of whether or not there was any proven negligence the Owner may be responsible to pay the Corporation's deductible amount. With the recent market corrections due to the amount and size of claims in our market, we have seen deductible levels rise substantially from \$2,500 - \$10,000 previously to \$25,000 to \$100,000 and more!

PLEASE NOTE - Owners can obtain coverage in their Unit Owner's policy to assist with paying the Corporation's deductible when required.

ADDITIONAL DETAILS

Limit Reminder - The Corporation can only make the Owner liable for the deductible limit up to a **maximum of \$50,000**. If the deductible is \$25,000 then the Owner's liability is \$25,000 regardless of the size of the claim. Conversely if the deductible is \$100,000, the Owner's liability is \$50,000 as that is the maximum allowable amount.

Coverage Liability - Owners are only required to have this coverage if it is outlined in the Corporation's bylaws but they can be held responsible for the deductible payment regardless of whether or not they have their own coverage.

Legislation - Section 62.4 of the Condominium Property Regulations as of Jan 1, 2020 for further details.

What steps do Owners have to take to ensure proper coverage for themselves?

- 1) Ask your Board, Manager or Corporation Insurance Broker for a copy of the Corporation's Certificate of Insurance** that outlines the current deductible amounts, in particular the water damage deductible.
- 2) Contact your personal Insurance Broker and inquire whether you have deductible coverage in your Unit Owner's policy and if not, request to add coverage.**
- 3) Is the deductible coverage in your Unit Owner's policy equivalent to the Corporation's deductible? If not, adjust your deductible accordingly** (see *Limit Reminder* below).

