

**CONDO ADVISER WEBINAR**  
**(EPISODE 44)**

# **INSURANCE IN CONDOLAND**

February 7, 2023

**CondoAdviser.ca**

**LEADING THE INDUSTRY**



# CONDO ADVISER CREW

Speakers	Firm
Rod Escayola	Gowling WLG
Graeme Macpherson	Gowling WLG
Nailah Ramsoomair	Gowling WLG
Tricia Baratta	Gallagher Insurance
Josée Deslongchamps	Apollo CI Management
Murray Johnson	Corssbridge

# AGENDA

Topic	
<ul style="list-style-type: none"><li>• Different types of insurance required</li></ul>	<ul style="list-style-type: none"><li>• Insurance deductible bylaw<ul style="list-style-type: none"><li>• At fault</li><li>• No fault</li><li>• Hybrid</li></ul></li></ul>
<ul style="list-style-type: none"><li>• Some important definitions<ul style="list-style-type: none"><li>• Premiums</li><li>• Deductibles</li><li>• Loss ratio</li><li>• Subrogation</li><li>• Co-insurance</li><li>• Appraisals</li><li>• Definition of perils</li></ul></li></ul>	<ul style="list-style-type: none"><li>• Standard unit bylaw<ul style="list-style-type: none"><li>• Including everything</li><li>• Bare box</li><li>• Hybrid</li></ul></li></ul>
<ul style="list-style-type: none"><li>• Who pays when there is an insurable event?</li></ul>	<ul style="list-style-type: none"><li>• Best Practices</li></ul>
<ul style="list-style-type: none"><li>• When to claim and not to claim</li></ul>	<ul style="list-style-type: none"><li>• What docs to include at renewal time</li></ul>
	<ul style="list-style-type: none"><li>• EV impact</li></ul>

# DIFFERENT TYPES OF INSURANCE REQUIRED

## Different types of insurance required:

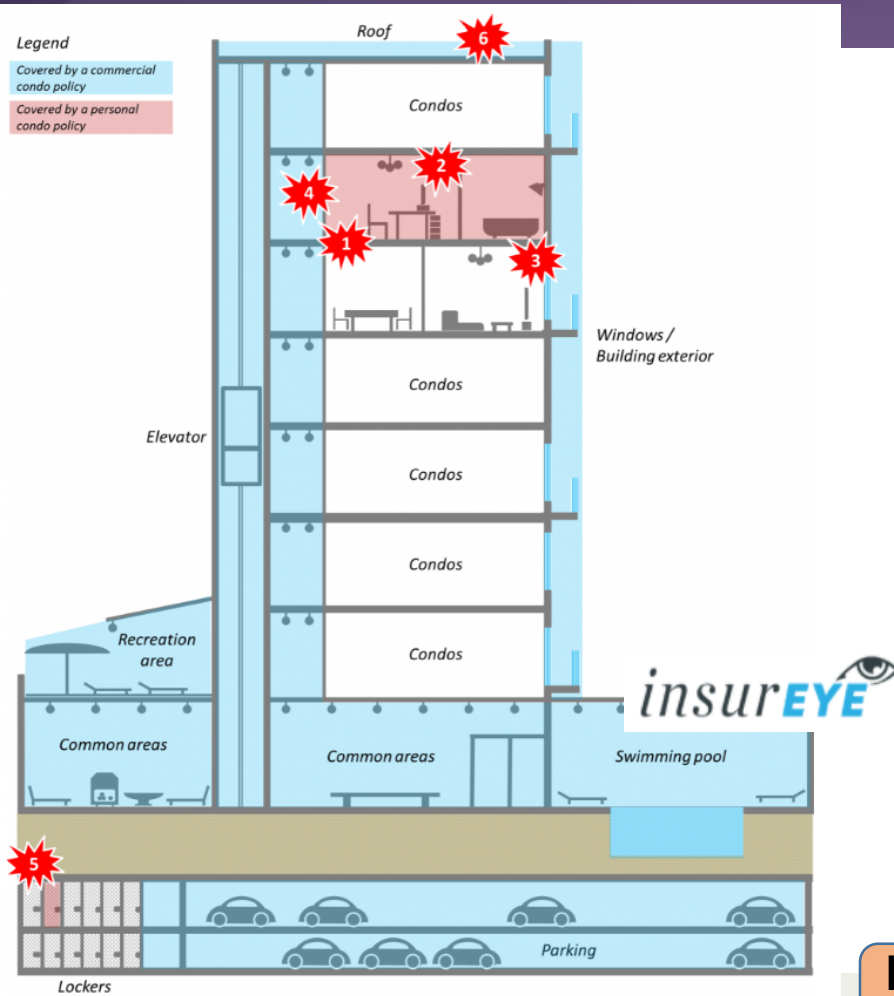
1. Property [s.99 of the Act]
  - Damages to units and common elements caused by major perils
  - Major perils: fire, lightning, smoke, windstorm, hail, explosion, water escape, strikes, riots or civil commotion, impact by aircraft or vehicles, vandalism or malicious acts
  - Does not include obligation to insure damage to improvements made to the unit

# DIFFERENT TYPES OF INSURANCE REQUIRED

## Different types of insurance required:

1. Liability [s. 102 of the Act]
  - Resulting from breach of duty to keep common areas safe
  - Boiler, machinery, pressure vessels, motor vehicles.
2. Directors and officers [s.39 of the Act]
  - For directors and officers of the corporation being held personally liable while carrying out their duties. (insurance is reasonably available)

# OWNER'S RESPONSIBILITY



**Betterments / Improvements:** Upgrades / improvements, as defined by Standard Unit bylaw – *if you have one*

**Contents:** Personal property, furniture, electronics, household goods, clothing

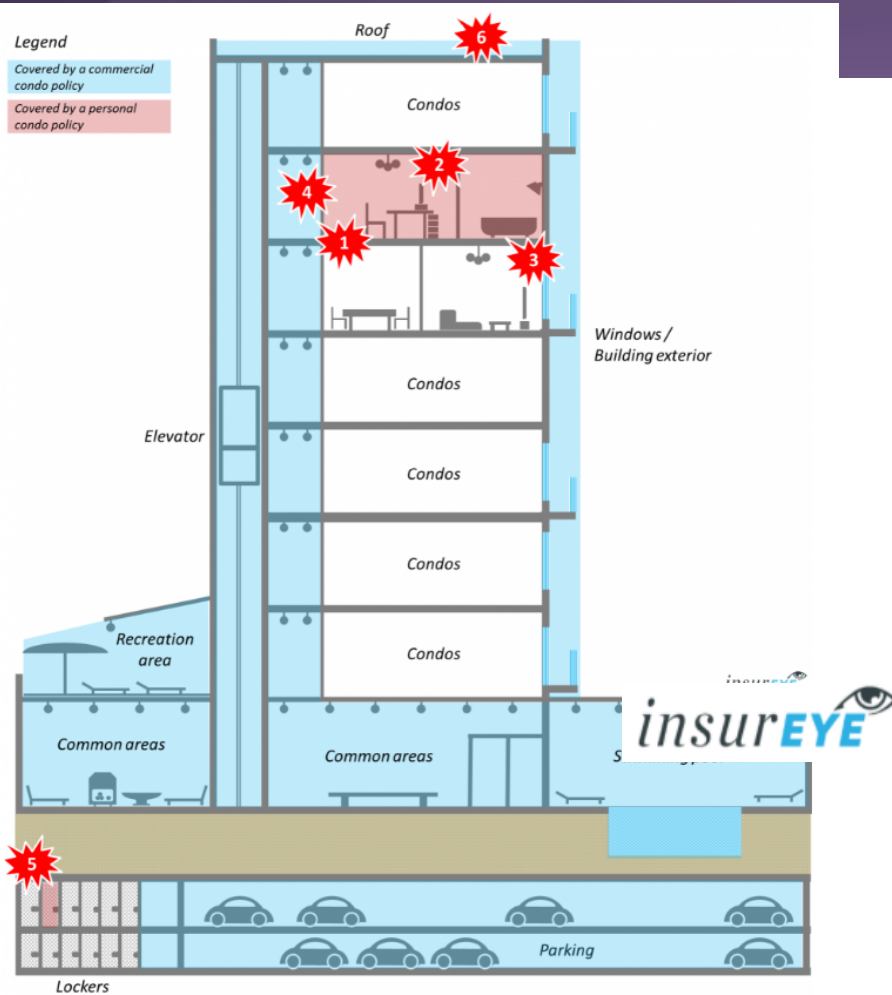
**Third party liability:** If you cause damage to other units or if someone gets injured in your units (damaged or theft)

**Deductible & Loss of Assessment:** When the condo policy does not cover owner, including when units have to pay the corporation's deductible

**Additional Living Expense:** If you need to be relocated in a hotel...

**Locker:** Owners must insure their locker's content

# CORPORATION'S RESPONSIBILITY



**Common Elements:** standard unit finishes, common hallways, perimeter fences, roofing, etc.

**General Liability:** someone is injured on the corporation's property...

**Boiler & Machinery:** elevator, HVAC unit, pool equipment, generator, etc.

**Directors & Officers Liability:** an owner alleges the Board's actions cause financial hardship

**Privacy / Cyber Liability:** breach of privacy due to cyber event or theft of information

**Other insurance coverage:** Volunteer liability, legal expenses, crime and fidelity...

# DEFINITIONS

- Premiums
- Deductible
- Loss ratio
- Subrogation
- Co-insurance



# DEFINITIONS

- Appraisals
- Definitions of insurable perils
  - Fire
  - Water
  - Floods
  - Sewer backup
  - Others

# WHO PAYS WHEN THERE IS AN INSURABLE EVENT?

- Owners maintain their *units*
- Corporation maintains *common elements*
- Corp. shall repair units and common elements after damage (s. 89 of the Act)
  1. **Subject to Declaration**
  2. **Subject to standard unit by-law**
  3. **Subject to Deductible by-law**

# WHO PAYS FOR WHAT

## The declaration can alter obligation to repair after damage (s.91):

- Imposing on the owner the obligation to repair the unit after damage
- Subject to s. 123: termination of condo in case of substantial damage (cost of repair is equal to or exceeds 25% of replacement cost)

# WHO PAYS FOR THE DEDUCTIBLE

**Deductible is a common expense (payable by all) unless (s. 105):**

1. Damage resulting from act/omission of owner (or those they are responsible for) and damage is limited to unit
2. The corporation has a Deductible bylaw, extending the circumstances under which the owner will be responsible for paying the deductible

# INSURANCE DEDUCTIBLE BY-LAW

- **The purpose of the by-law:**
  - To allocate the responsibility of the deductible in the fairest way.
  - To allow condo owners at fault or affected by an insurable event to claim the cost of the deductible from their personal insurer.
  - Fault-based vs. No-fault
  - Considers:
    - What caused the incident?
    - What was damaged?
    - What was the source of the damage?

# STANDARD UNIT BY-LAW

- **This by-law defines what is the standard unit**
- **Corporation is responsible for repairing and insuring standard unit**
- **“Bare Bones Model” [Limits what is considered “standard” to essential structural components]**
  - The Corporation is responsible for insuring those things it owns [structure, floor and ceilings slabs, unit perimeter walls, entry/balcony doors, windows, common elements systems within walls, etc]
  - Unit owners are responsible for insuring what they own [interior walls, unit wiring, plumbing within unit boundaries, cabinetry, finished flooring, etc]
  - **Purpose:** contain/lower the Corporation's insurance costs

# BENEFITS OF THE STANDARD UNIT BY-LAW

- **Reduces the collective insurance cost**
- **More equitable to owners**
- **Puts the onus on owners to be careful**
- **Reduces disputes between insurers/owners**
- **Streamlines the repair process**

# HOW TO IMPROVE YOUR SITUATION

- Contingency accounts
- Emergency preparedness
- Using technology
- Water audit
- Inspections
- Surveys
- Document, document, document



# HOW TO BEST PREPARE FOR RENEWALL

- Documentation to submit
- RFS
- New bylaws
- New appraisals
- Info on changes to the board
- Changes in tenancy ratio

# EVs – and impact on insurance?

- Advising your insurer
- Impact on premium?
- Demistifying Lithium Ion propelled vehicles and EVs

# NEXT WEBINAR

- **Next webinar :**  
**Wednesday, March 6, 2024**
- **Info will posted on [CondoAdviser.ca](https://CondoAdviser.ca)**
- **You will need to register again.**

# CONDO ADVISER



[About us](#) | [Contact us](#) | [In the news](#) | [Forms](#) | [AGM Calculator](#) | [Condo Tools](#) | [Links](#) | [Webinars](#)

Reliable and timely advice for all of your  
condominium legal needs in Ontario.

Be the First to Know



Search by Topic

Select a Topic ▼

Site Search

Search

**HAVE A GREAT SUMMER!**




**SEE YOU SOON!**

**Wednesday, March 6, 2024**






# QUESTIONS?

**ROD ESCAYOLA**  
*Gowling WLG*




 rod.escayola@gowlingwlg.com  
 +1 416 862-5787 ext. 58684  
 @EscayoLaw

---

**GRAEME MACPHERSON**  
*Gowling WLG*



 graeme.macpherson@gowlingWLG.com  
 +1 416 862-5787 ext. 50051  
 @GraemeMacphers4

**KATHERINE GOW**  
*ACMO*

 kgow@Crossbridgecs.com  
 +1 416 510-8700  
 @KGowCondo


---


**NAILAH RAMSOOMAIR**  
*Gowling WLG*

 nailah.ramsoomair@gowlingWLG.com  
 +1 416 862-5787 ext. 50154

**DENISE LASH**  
*Lash Condo Law*

 [dlash@lashcondolaw.com](mailto:dlash@lashcondolaw.com)


 +1 416 214-4130

 @LashCondoLaw

---


**SEAN CORNISH**  
*Apollo Management Property*

 [sean@apollomgt.com](mailto:sean@apollomgt.com)

 613-225-7969 ext. 260

**JASON REID**  
*National Life Safety Group*


 [Rod.escayola@gowlingwlg.com](mailto:Rod.escayola@gowlingwlg.com)

 +1 416-770-8005

---

**JOSH MILGROM**  
*Lash Condo Law*

 [jmilgrom@lashcondolaw.com](mailto:jmilgrom@lashcondolaw.com)

 +1 416-214-4133




**JUSTIN TUDOR**  
*Keller Engineers*

 [jtudor@kellerengineering.com](mailto:jtudor@kellerengineering.com)  
 +1 613-224-1594



---

**Natalia Polis**  
*Lash Condo*

 [Natalia@lashcondolaw.com](mailto:Natalia@lashcondolaw.com)  
 +1 416 214.4135

---

**TRICIA BARATTA**  
*Gallagher Insurance*



 [Tricia\\_Size@ajg.com](mailto:Tricia_Size@ajg.com)  
 +1 519-963-2004

---

**JOSÉE DESLONGCHAMPS**  
*DES Services*

[desservices@rogers.com](mailto:desservices@rogers.com)  
+1 613-301-8570

**STACEY S. KURCK**  
*FirstService Residential Ontario*



 stacey.kurck@fsresidential.com  
 416.818.3530

---

**TANIA HALUK**  
*Wilson Blanchard*

 tania.haluk@wilsonblanchard.com  
 416.642.2807

**PENNY PUSITZ**  
*Results Lifestyles Inc.*

 info@resultslifestyles.ca  
 905.338.3348 ext 5

---



**DEBBIE MACEWEN**  
*Condominium Management Group*



dmacewen@condogroup.ca

613.237.9519 ext 226

---



**GOWLING WLG**