



The Owners, Strata Plan KAS3589

IMPORTANT

Strata Insurance Policy, Increased Deductibles

Please take note of changes to your strata property insurance policy, effective January 19, 2024. There are significant changes to the strata policy deductibles due to the past year's losses (3 large claims since Dec 2023). There has never been a more important time to prevent a loss at your strata property and ensure you obtain and maintain a condo owner policy.

While we await a copy of the new policy documents, effective January 19, 2024 – January 19, 2025, please review the enclosed Strata Protect Insurance Renewal Proposal from BFL Canada. **Take note of the increase to the strata deductibles which take effect January 19, 2024:**

- **The All Risks deductible will increase from \$25,000 to \$500,000 as this is the minimum requirement of the Insurer(s).**
- **The Sewer Backup and Water Damage deductibles will increase from \$100,000 to \$500,000, upon renewal due to the frequency and/or severity of losses.**
- **A Vacant Unit deductible of \$1,000,000 will be added upon renewal but only with respect to the Herons II building.**

Please review the enclosed and immediately notify your personal insurers of the change to the strata property policy coverages and deductibles.

While a standard condo insurance policy includes coverage for your Strata's deductible assessment, it is typically capped at \$100,000, depending on your insurance carrier.

Unfortunately, owners may have difficulty obtaining deductible assessment coverage at a limit of \$500,000 and should contact their personal insurers ASAP. Given the significant increase and last-minute renewal by BFL Canada, the strata is considering a bylaw amendment that would cap the amount the strata can assess against an individual unit responsible for a loss. This will be addressed at the next council meeting on January 23.

Below are Condo Owner Insurance Policy options we have been made aware of:

- CapriCMW / Acera Insurance offers \$500,000.00 and up to \$1,000,000.00. Link: <https://capricmw.ca/personal/homeowner-insurance/condo/strata-deductible-buydown>
- TD Insurance offers up to \$500,000.00. Link: <https://www.tdinsurance.com/products-services/home-insurance/tips-advice/condo-insurance-101>
- BFL SquareOne Unit Owner Program offers up to \$350,000.00. Link: https://www.squareone.ca/bfl?offer_code=BFLP

On behalf of the strata council, **I strongly encourage all owners to obtain a personal insurance policy for strata policy exclusion, such as the insurance deductibles, personal**

liability, contents, living expenses and betterments/improvements. Homeowners should always make sure their personal assets and liabilities are adequately protected by their own personal lines insurance policy. **A typical unit owner's policy provides a variety of coverage:**

- **Personal Property:** in general terms, this coverage includes all the content items a unit owner brings into the home, such as furniture, electronics, clothing, etc.
- **Additional Living Expenses:** this coverage helps unit owners, and their families deal with the extra expenses which can often result if the home is uninhabitable due to an insured loss or damage. Whether it is a fire or significant water damage due to no fault of their own, unit owners may have to move out while their unit is being repaired. In the case of an investment unit, this coverage helps pay the owner's rental income loss due to the tenant moving out.
- **Improvements & Betterments:** many unit owners spend considerable money making the unit their own; old carpet is replaced with new flooring, cabinets and counter tops are updated and fixtures modernized. The unit owner's personal insurance policy provides coverage for these items, which are specifically excluded from coverage under all strata corporations' insurance policies.
- **Strata Deductible Assessment:** strata corporations have by-laws in place to facilitate charging back the strata deductible to the unit owner responsible for a loss or property damage. Strata deductibles can be as low as \$1000 and as high as \$1,000,000. **Owners need to ensure that the limit on their personal policies is enough to cover any strata deductible they may be responsible for (including earthquake and flood).** Note that the deductible for flood (a rising body of water such as Okanagan Lake) or earthquake would be treated as a common expense of the strata corporation and be shared amongst all 475 strata lot owners, calculated based on unit entitlement. You do not need to purchase flood or earthquake deductible assessment coverage at the full limit noted on the policy. Your share of that expense can be calculated by taking your Unit Entitlement, divided by the Unit Entitlement of all Strata Lots times the deductible amount.
- **Personal Liability:** at home or pretty much anywhere in the world, unit owners' policies also provide comprehensive protection for claims against them for property damage and bodily injury.

Your strata council is considering a bylaw amendment proposal that would make it mandatory for owners to carry a condo owner insurance policy and coverage for the strata deductibles. It is also considering a cap on the deductible that can be assessed back. **It has never been more important for owners to carry a Condo Owner Insurance Policy.**

The premium for renewal has increased from \$510,570.00 to \$1,038,408.00. A portion of the strata insurance premium will be financed by Finance Contract and a portion will be borrowed from the Contingency Reserve Fund, as a temporary loan. Further details will be reflected in the January 23 council meeting minutes.

Any questions about strata insurance coverages or exclusions, can be directed to the strata's agent, Leanne Thompson, at 778-313-0106 or lthompson@bflcanada.ca

A copy of the new policy and summary of coverages will be forwarded upon receipt from the strata's insurance broker.

Sincerely,

Associated Property Management Ltd.

As Managing Agent for the Owners, Strata Plan KAS3589