

## IMPORTANT MEMORANDUM

**TO:** Owners  
LMS712

**DATE:** June 8, 2020

**FROM:** Gaelan Porter, Insurance Director  
for First Service Residential BC

**RE: LMS712 - Further Insurance Update**

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Dear Owners,

After lengthy negotiations HUB Insurance has secured coverage based on full replacement value.

You will recall that when the Strata Corporation renewed the insurance policy last December, there was a loss limit in place, limiting the amount payable in the event of a major claim. This is great news that HUB Insurance has finalized full replacement coverage!

The new effective date of the insurance policy is **June 8, 2020 to June 8, 2021**. While HUB could have prorated the full limit policy to bring the Strata back to their initial December 31<sup>st</sup>, 2019 renewal date, given the volatility of the insurance market, the broker encouraged LMS712 to lock in for a full annual term, which council opted to proceed with.

The additional premium is roughly \$150,000. Council will communicate with owners in a subsequent memo how this sum will be collected.

**The Insurer requires the following deductible increases:**

- All Risk deductible has increased to **\$50,000**
- Water/Sewer deductibles have increased to **\$75,000**
- Earthquake deductible remains at 10%

As a reminder, owners should understand the importance of protecting themselves against deductibles that may be assessed against them for any losses that they are deemed responsible for and should discuss the increase in deductibles with their insurance agent. If you require a personal policy, we have listed some providers below:

- **Capri/CMW (attached resource)**
- **HUB Coastal <https://hubcondo.ca>**

Additionally, Owners are also reminded to insure their own risk and maintain insurance on their contents, any improvements made to the unit, personal liability, and loss of rental income.

Owners should also have coverage on their policy that would pay for any special assessments (e.g., the Owner's portion of the Strata's earthquake deductible) as well as a sufficient limit of additional living expense coverage, should the owner need to temporarily relocate following loss/damage.

Thank you,

**FirstService Residential BC**

On behalf of The Owners, Strata Plan **LMS712**



## CapriCMW Strata Division launches new:

# Excess Loss Assessment/Deductible Coverage for Water Damage and Sewer Backup Claims

There has been a high frequency and increasing severity of natural catastrophes around the world in the past few years, affecting the global insurance market. Coupled with increasing water damage claims and repair costs, insurers are increasing water damage and sewer backup deductibles on the Strata Corporations Insurance.

**As a unit owner, you can be held responsible to pay these high deductibles.**

You can purchase deductible assessment insurance under your personal condominium unit owners insurance. However, in many instances, this is capped at \$25,000 to \$50,000, which may not be enough to keep up with the increasing Strata Corporation deductibles.

**Through CapriCMW Insurance, you can increase your personal deductible assessment coverage up to \$250,000.**

### EXAMPLE

Strata Corporation's Water Damage Deductible	\$ 250,000
Deductible Assessment Coverage Under Unit Owner's Condo Policy	\$ 100,000
<b>Gap to be Paid by Unit Owner</b>	<b>\$ 150,000</b>

**Please note:** *To be eligible for coverage, a current annual lease is required for any units being rented out.*

*Our excess coverage will increase your limits available should you be assessed the strata deductible. This coverage is in excess of your primary unit owners policy, and will only be triggered once the underlying policy pays out.*

**Available exclusively through CapriCMW Insurance.**

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*The information contained in this document is current as of December 30, 2019. This document does not form part of the policy. For more specific details, please refer to the actual policy wordings.*