

THE STATE OF STRATA PROPERTY INSURANCE IN BRITISH COLUMBIA



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The state of strata property insurance in British Columbia is experiencing notable changes and challenges. Here are important things to know about the state of strata property insurance in the province:





1. **Increasing Premiums and Deductibles:** Strata corporations across British Columbia were facing significant increases in insurance premiums and deductibles. This was particularly pronounced for buildings located in high-risk areas, such as those prone to earthquakes or wildfires.
2. **Limited Availability:** Some strata corporations found it difficult to secure comprehensive insurance coverage for their properties, especially those with a history of claims or located in areas with heightened risks.
3. **Rising Deductibles for Water Damage:** Water damage claims, including burst pipes and leaks, were contributing to increased deductibles. These deductibles were often substantial and had to be covered by the strata corporation or passed on to unit owners.
4. **Market Hardening:** The insurance industry was experiencing a phenomenon known as "market hardening," where insurers were becoming more cautious and selective about the risks they underwrite. This led to tighter underwriting standards and higher premiums.
5. **Legislative Changes:** In response to the challenges faced by strata corporations, the British Columbia government introduced legislative changes to address issues related to insurance deductibles and the information required for renewing insurance policies.



6. Risk Mitigation Measures: Some strata corporations took proactive measures to mitigate risks, such as implementing maintenance programs, enhancing building resilience, and improving property management practices. These efforts were intended to make properties more insurable.
7. Special General Meetings: Strata corporations were holding special general meetings to discuss insurance-related matters and determine how to address the challenges they were facing. These meetings often involved consulting with insurance brokers and legal advisors.
8. Communication with Unit Owners: Effective communication between strata councils and unit owners became essential to explain the reasons behind premium increases, deductible changes, and the overall insurance situation.
9. Seeking Professional Advice: Given the complexity of strata property insurance and the challenges posed by changing market conditions, many strata corporations sought advice from insurance professionals, lawyers, and experts in risk management.
10. Ongoing Monitoring: Strata corporations needed to continually monitor the insurance landscape, stay updated on legislative changes, and work closely with insurance brokers to find appropriate coverage options.

It's important to note that the situation might have evolved since my last update. If you are a part of a strata corporation or a strata owner, it's recommended to stay informed about the latest developments in strata property insurance in British Columbia and consult with insurance professionals who specialize in strata coverage.



 
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