

Strata Insurance

A general guide to insurance in your residential apartment*



*This information does not constitute advice and is a guide only. Always consider the PDS of your insurance policy and seek advice from your broker or financial advisor



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what IS strata building insurance?

In New South Wales, building (& other) insurances are mandatory. The building insurance protects the owners corporation for damage caused by an accidental or malicious act or an act of nature.

→ Examples of Insurance Events

- Fire/arson
- Burst Pipes
- Vandalism
- Flood/water damage
- Impact
- Lightning Strikes
- Storm damage
- Theft
- Accidental damage

→ Examples of NON insurance events

- Settlement cracks
- Building defects
- Maintenance leaks
- Failed waterproofing
- General wear and tear





What is covered in my lot?

Lot property covered by strata insurance

While the responsibility for repair, maintenance and replacement of lot property is with the owner, there are items within a lot that will generally be covered by the building insurance, in the event of damage caused by an **insurable event only**.

Examples of lot property generally covered by the strata building insurance:

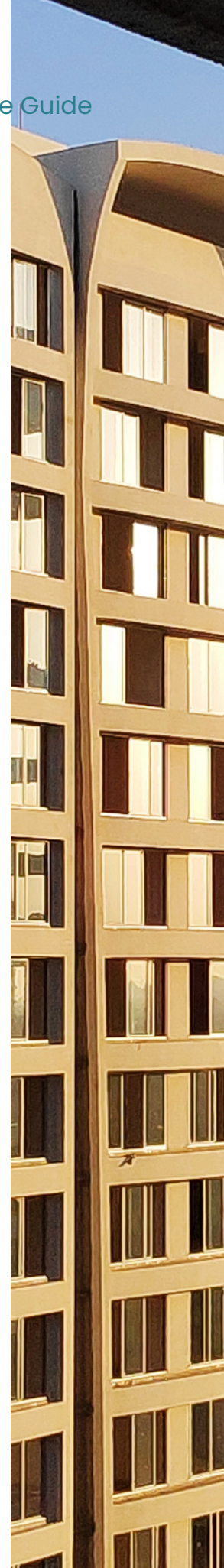
- Internal walls
- Built-in cupboards
- Internal doors
- Toilets, baths and basins
- Kitchen sinks, cabinets and bench tops
- Architraves

What is Covered and what is not

The below list is a guide only and you should always refer specific questions to your broker. Remember, this is for insurance purposed only. Maintenance, repair and replacement of lot property is the responsibility of the owner.

Covered	Not Covered
Internal walls	Carpets and underlay
Internal doors	Light fittings
Original hard floors	Wall paper
Bathroom fixtures such as toilet and sink	Curtains and blinds
Kitchen fixtures such as sinks, cabinets and bench tops	Paintwork
Shower screens	Personal belongings including furniture
Architraves	Appliances

As lot property is defined as: "the cubic airspace contained within the inner surface of the boundary walls, under surface of the ceiling and upper surface of the floor", everything else is common property. This means doors, windows, external and dividing walls and balconies are all covered, as well as common property assets like hallway and lobby floorings and walls, entryways, pool etc



Other Types of Insurance



Other Insurance Cover

Mandatory

- Workers Compensation (if required)
- General Liability insurance against damage to property, body or death (minimum \$20,000,000)
- Voluntary Workers

Recommended

- Office bearers/strata committee liability
- Emergency Accommodation/Loss of Rent
- Catastrophe
- Machinery Breakdown
- Audit
- Legal Defense
- Crime

Loss of Rent/Temporary Accommodation

Policy Limitations



The Owners Corporation will likely have cover for temporary emergency accommodation/loss of rent.

This is a strictly administrated policy that requires that the insurer deems an apartment is uninhabitable for the policy to cover to be activated. It also cover owner occupier's and landlords differently.

Owner/Occupier's

Should the unit be uninhabitable due to an insurable event, temporary accommodation and storage costs will be reimbursed.

Investor Owner

Should the unit be uninhabitable due to an insurable event, any rent lost as tenants cannot occupy will be reimbursed (subject to evidence of an active lease and loss of income).

You still need your own insurance

While the owners corporation is mandated to have building and other insurances, as demonstrated on page 4, not everything is covered.

We highly recommend that owners obtain their own lot property insurance policy.

Your broker or financial advisor will be able to assist you.





What is covered by strata insurance?

The simplest answer is the physical structure of the building and anything attached to that structure. Refer to page 5 for a reference table.

Who pays for the strata insurance?

The owners corporation, through levies paid by each lot owner.

How do I make a claim?

Simply contact your strata manager and they will assist you.

Do I need my own policy?

We'd highly recommend it. Your contents and fixtures are not covered by strata.

What is an insurable event?

An accident, of nature, criminal act or some incidents of unavoidable damage, such as a burst water pipe.

Insurance Guide



Making the connection between strata & home.

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