



Understanding Strata Property & Unit Owner Property for Insurance

Before buying a unit owner personal contents insurance, owners must be sure to have a good understanding of what is the Strata property and what is the unit owner property and acquired property responsibility.

Unit Improvements & Betterments.

1. Improvements and betterments made or acquired by the unit owner
2. Any improvement made to the interior of a unit since the original construction. See examples below.
3. All improvements & betterments are passed on to the next buyer which then become their responsibility to insure rather than that of the Strata.

The Strata Property

Anything that is deemed as the Building at the time of original construction, or which the Strata may have responsible for building at a later date.

Examples of Unit Improvement & Betterments

An example of a Unit Improvement & Betterment is when an existing part of a condominium unit is replaced with something better by the owner. There is now a difference in the replacement/repair cost of coverage between the preexisting part and the new more expensive part that replaced it. This improvement cost is outside the responsibility of the Strata policy and becomes the responsibility of the unit owner to cover.

Replacing the tile floors with hardwood or any other improvement. Or replacing the laminate counter and tile floors with granite and hardwood. Knocking down any walls changing the unit lay out of the unit from its original structure. Renovating and upgrading bathrooms and kitchens or any part of the unit.

Even simple things as upgrading air conditioning units. Fitting of hurricane shutters if not provided by the developer and included in the initial purchase price.

Any upgrades above the material used by the original builder increasing the property value greater than when it was completed and possibly the units surrounding it. An increase in value and material is considered an Improvement & Betterment.

Recommendation to All Strata Board of Directors

1. Get to know what the original structure of all units.
2. Have the board approve any structural changes which a unit owner would like to change, in accordance with the Strata By-Laws.
3. Keep a record of all known units' improvements & betterments.
4. Do not take on the responsibility of having to inform any new unit owner of improvements & betterments which may have been made to their unit since the original structure was built.

Recommendation to Unit Owners When Buying Contents Unit Owner's Insurance

1. Be sure to specify the dollar amount required for personal general contents
2. Be sure to specify the dollar amount required for improvement & betterments.

Example of how a policy should be set up for personal general contents and should unit owner improvements & betterments be required. All Furniture, Electronics, Appliance, and other removable items:

General Contents Insurance Limit \$50,0000.00

All Unit owner improvements & betterments. Specify examples: Bathroom Renovations, Improvements to AC Units, All Flooring. Changes made to Walls. Limit \$100,000.00.

The total dollar breakdown individual limits do not have to be specified if they are named and included in the final Improvement & Betterments total limit.

Please note: The above is just an example of what is a Strata Property & a Unit Owner Property, as there are many other items which can be named as General Contents an Improvement & Betterments.

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