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BRITISH
COLUMBIA



NEWFOUNDLAND

ONTARIO

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BRUNSWICK

PART TWO:

- Basic Claim Process
- Excluded Perils
- How to be Prepared
- Claim Examples



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BASIC CLAIM PROCESS



Loss Occurs

IN CASE OF EMERGENCY



Immediate action is taken to mitigate further loss or injury

Water is shut down, 911 is called, fire alarm is pulled, etc.

Preservation of Evidence

Subrogation



Unit Owner contacts Resident/Property Manager, and personal insurance broker (if applicable)



BASIC CLAIM PROCESS



Property Manager calls in contractors and service providers



Emergency work is performed



Adjusters and Broker are notified/appointed to the loss



Adjuster will work in concert with the property manager, unit owners and the insurer to determine course of action and applicable deductible



BASIC CLAIM PROCESS



Contractors are appointed/approved and restoration work is performed



Adjuster quantifies loss, submits the proof the loss and final report to insurer for payment



The corporation is responsible for the deductible and any subsequent assessment to an offending unit owner



TWO IMPORTANT QUESTIONS:



1 IS IT THE CORPORATION'S RESPONSIBILITY TO INSURE?

Refer to your Standard Unit By-laws



SAMPLE STANDARD UNIT BY-LAW

THE CORPORATION ENACTS THE FOLLOWING BY-LAW:

Therefore It is resolved that the Standard Unit By-Law is defined as:

- 1)
 - a) All existing insulation as follows: *fibreglass (glass wool) batt type insulation, polyvapour barriers and drywall: R Values - Attic Ceiling R-40, Exterior Walls R-20*
 - b) Ceiling completed to the drywall (including taping, sanding, priming and two coats of paint).
 - c) Floor assemblies constructed to the sub-floor.
 - d) All installation with respect to the provision of water and sewage services.
 - e) All installations with respect to the provision of electricity, 100 amp electrical service with circuit breakers, standard switches and receptacles, telephone cable and related rough – ins (maximum of four (4) locations, cable television cable and related rough – ins (maximum of three (3) locations, all requisite smoke and fire detectors and as required by applicable regulation, on standard stove electrical outlet, one standard dryer electrical outlet;
 - f) All interior partitions and walls completed to the drywall (including taping, sanding, primer and two coats of paint), (colour of Owners choice), standard light switches, receptacles, lighting fixtures, door bell and chime included; series 800 doors, 1 x 4 pine baseboard, door and window casings, finished (two coats varnish or primed and painted).

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- g) Kitchen – mid range European style cabinets, single lever faucet, stainless steel double sink, roughed – in plumbing and electrical for dishwasher. No appliances. Builders grade melamine counter tops. Electrical hook up for range exhaust fan.
 - h) Bathrooms – Standard builders grade tub, sink and toilet. Single handle faucet and 3' x 3' acrylic shower stall with doors (depending upon unit layout).
 - i) Fireplaces - 1 or 2 wood burning fireplaces (depending upon unit layout) with ceramic 2' hearth.
 - j) In the event that any of the builder's choices are not available, then the Corporation shall provide the unit Owner with samples of choices of materials which in the sole opinion of the Corporation are of comparable value and quality.
 - k) Such other components of the unit which the declarant would have been required to construct by the then current regulations (as at the time of repair) in order to achieve registration of the condominium plan including, without limiting the generality of the foregoing, all conduits, pipes, ducts, cables, wires, service connections, lines, water mains, telephone and television cables and access transmission line and public utility line that, without limiting the generality of the foregoing, provide or transmit power, communications facilities, television, water, and/or sewage disposal.
 - l) For clarification, anything within the unit boundaries of a unit which is over and above such minimum requirements set out above shall be considered and "improvement" to the unit. For greater certainty and without limiting the generality of the foregoing, or other addition to the basic structure of the wall or partition, and window coverings, are considered "improvements" to the unit and are the responsibility of the Owner of the unit to insure.



SAMPLE STANDARD UNIT BY-LAW

③

- 2) For further clarification, the consequence of such definition of "standard unit" is to cause all components of a unit that are not specifically stated to be a part of the standard unit to be classified considered and defined as and "improvement", thereby making the Owner(s) of such unit completely responsible for all insurance relating thereto and relieving the Corporation from being required to provide or maintain any insurance on account thereof.
- 3) If any component of the standard unit must be "upgraded" or changed in order to comply with any applicable governmental authority, regulation or code, while being repaired or replaced on account of insurable damage or destruction, the said upgrade or change shall be considered part of the standard unit despite not being clearly defined herein as part of the standard unit.
- 4) In any circumstance where the Corporation's insurance provides coverage for the repair, except for cases of catastrophic disaster as defined in the insurance policy, the Unit Owner shall be responsible for the deductible portion of the Corporation's insurance policy.

The Directors of the Corporation hereby pass the foregoing By-Law pursuant to the Condominium Act of Ontario 1998, as evidenced by the respective signatures hereto of all the Directors.



TWO IMPORTANT QUESTIONS:



2 IS IT A COVERED PERIL?



EXAMPLE OF EXCLUDED PERIL

WATER CLAIMS STANDARD EXCLUSION:

- By seepage, leakage or influx of water derived from natural sources through basement walls, doors, windows or other openings therein, foundations, basement floors, sidewalks, sidewalk lights, unless concurrently and directly caused by a peril not otherwise excluded
- By the entrance of rain, sleet or snow through doors, windows, skylights other similar wall or roof openings unless through an aperture concurrently and directly caused by a peril not otherwise excluded



OTHER EXAMPLES OF EXCLUDED PERILS

- Wear and tear
- Rust or corrosion
- Loss of Use or Occupancy
- Pollution
- War/Terrorism
- Mold
- Asbestos



BE PREPARED

HAVE NECESSARY PRELIMINARY PAPERWORK READY:

- Declarations
- Current Appraisal (updated at least every 3 years)
- Standard Unit By-Law
- Insurance Deductible By-Law
- Contact Information



This assists the adjuster and speeds up the entire claim process.



FORM CIRCULATED TO PROPERTY MANAGERS

WHAT YOU NEED TO KNOW IN ORDER
TO SUBMIT A CLAIM FOR LOCATIONS INSURED WITH:



ROGERS
INSURANCE LTD.

<p><u>WHEN DID THE LOSS HAPPEN?</u> Must be a specific date</p>	Date of Loss:
<p><u>WHERE DID THE LOSS OCCUR?</u> This includes the condominium name/plan & unit #.</p>	Location of loss:
<p><u>WHAT HAPPENED?</u> Please give exact location and description: eg: Unit # - Bathroom, toilet tank cracked. Damage to flooring, wall and unit below.</p>	Details of loss:
<p><u>WHO DO WE CONTACT?</u> In order to process the claim efficiently, we require the name and contact information of the person the adjuster should contact: - The Property Manager or On Site Manager. - The unit owner in order to gain access</p>	<p>Property Manager:</p> <p>Resident Manager:</p> <p>Unit Owner:</p>
<p><u>WHO HAS ATTENDED?</u> Example: Onside, Titan etc.</p>	

Contact:

Wendy Wildeman
Bus: (403) 717-4991
Fax: (403) 296-2439
Toll Free: 1-800-565-8132
Email: wwildeman@rogersinsurance.ca

ROGERS INSURANCE LTD.
Suite 600, 1000 Centre Street North
Calgary, AB T2E 7W6



ACTUAL WATER CLAIM - TOWN HOUSE

INCIDENT:

Heavy rain caused storm sewers to back up.
Water entered project damaging 7 units total.

HOW POLICIES RESPONDED:

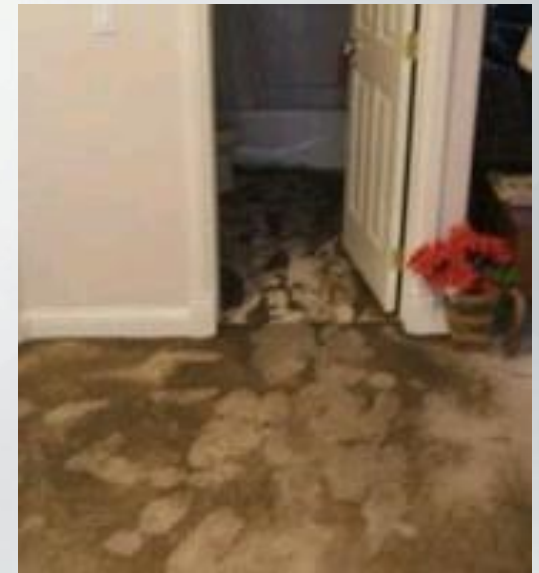
- Corporation by-laws EXCLUDED any improvements or betterments made to the units.
- Corporation policy paid to repair/replace carpets, flooring, drywall, etc. up to the original builders Grade installation.
- Unit owners dealt with their personal insurance for damage to personal Contents and/or the additional costs to replace the upgraded items.

TOTAL COST TO REPAIR:

\$312,929 paid in full by corporation's insurer
(less deductible).

Unknown what was paid by the unit owner's insurer.

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ACTUAL WATER CLAIM - TOWN HOUSE

INCIDENT:

Unit owner reported water damage to the basement of their unit. Upon further investigation it was determined that damage was as a result of continuous leakage and seepage through basement wall.

HOW POLICIES RESPONDED:

- Claim was denied by both corporation's and unit owner's insurers.
- Standard Unit By-law made the unit owner responsible for all improvements to the basement.
- Both policies contain the standard "seepage" exclusion.

TOTAL COST TO REPAIR:

\$11,000 to repair improvements – paid by unit owner

\$1,000 to correct the seepage problem – paid by the corporation

DENIED



ACTUAL WATER CLAIM - TOWN HOUSE

INCIDENT:

Unit owner sustained extensive damage to lower level when water and sand entered basement through a window.

HOW POLICIES RESPONDED:

- Claim originally denied as water entered unit through window (refer to perils excluded).
- Upon closer investigation, successfully proved this to be a covered peril.
- Construction debris clogged storm sewer sending wave of mud, water and sand through window of lower level. Force of water actually pushed window out of frame.
- Finishing to lower level was part of standard unit, corporation's policy responded to repair window.

TOTAL COST TO REPAIR:

\$33,395 paid in full by corporation's insurer.

\$22,000 paid by unit owner's insurer.



ACTUAL WATER CLAIM – HIGH RISE

INCIDENT:

Several unit owners reported water damage to units. Discovered that an owner on the top floor recently replaced kitchen sink and taps HIMSELF. Drain was not properly reconnected. After running dishwasher, water escaped into 5 units below.

HOW POLICIES RESPONDED:

Regardless of the negligent plumbing work of unit owner, damage was covered by corporation's insurance policy.

TOTAL COST TO REPAIR:

\$23, 240 paid in full by corporation's insurer.

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ACTUAL WATER CLAIM – HIGH RISE

INCIDENT:

Lobby ceiling collapses as a result of water running down from an unknown source. Unit owner on an upper floor was oblivious that his toilet tank had cracked. Water from toilet ran for entire day while unit owner was out.

HOW POLICIES RESPONDED:

- Damage to building was covered by corporation's insurance policy.
- Damage to personal property was covered by personal policies carried by unit owners affected by water damage.

TOTAL COST TO REPAIR:

\$87,703 paid in full by corporation's insurer.

NOTE: Similar water damage losses occurred previous to years of \$4,698 and \$6450.

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COMING SOON...

So now that we've covered basic terminology of Condo Insurance and your responsibilities as members of the Board of Directors for your corporation back in March and what happens when you need to make a claim, we hope you join us one more time.

PART THREE: How to Manage Your Risk and Mitigate Losses

May 13, 2015

- Prevention
- Importance of Contracts
- Keeping Insurance Costs Low

Later this summer, a free, downloadable E-Guide will be available covering all three events.



QUESTIONS

If you have not done so already, please type your questions in the area provided on your screen where it says “TYPE MESSAGE HERE.”

We will address as many questions submitted as possible and follow up personally with those we are not able to discuss this evening.



NEXT STEPS

How to access the recording of this presentation:

In addition to receiving an email with a link to the recording, you will be able to access it on our website within the next week:

www.larlyn.com/Client-Learning



NEXT STEPS

Who to contact for further questions:

- Your Property Manager and Regional Manager are both valuable resources on your Customer Service Team who are always available to answer your questions.
- If you would like to reach me, you can do so by email:

wwildeman@rogersinsurance.ca



NEXT STEPS

Additional “Learn With Larlyn” Opportunities:

www.larlyn.com/Client-Learning

PREVIOUS WEBINARS:

Condo Insurance 101 (Part One)

How to Read Your Condo Financial Statements

Condo Budgeting

E-BOOKS:

Role of the Board of Director

Role of the Property Manager

And more!

123's of Condo Insurance Financials

A House is A System



Thank You for joining us



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