

Recent Strata Insurance Changes Announced by the BC Government June 24, 2020

Change	Analysis
Add insurance information to the Form B Information Certificate, with liability for accuracy resting with the insurer or insurance agent instead of the strata corporation.	We fully support this and recommended it in our April 2020 brief to MLAs. The change will take place by regulation.
End the practice of referral fees between insurers or insurance brokers and property managers or other third parties	This change will be effective when the bill receives Royal Assent.
Set out clear guidelines for what strata corporations are required to insure to help strata councils make informed decisions on their insurance policies.	Basically, this is about defining “fixtures,” which will appear in the regulation. We need to see additional details before understanding the impact of this, but it seems to pave the way for a standard unit definition. This approach is intended to help understand what the owner is responsible for and what the strata corporation is responsible for, though it basically shifts liability to the owner and strips the strata unit down to its bare bones. These changes will take effect by regulation.
Require strata corporations to inform owners about insurance coverage, provide notice of any policy changes, including increasing deductibles.	We recommended this in our April 2020 brief to MLAs. This change will be effective when the bill receives Royal Assent.

<p>Allow stratas to use their contingency reserve fund when necessary to pay for unexpected premium increases.</p>	<p>This will give strata corporations more flexibility. Effective upon Royal Assent.</p>
<p>Protect strata unit owners against large lawsuits from strata corporations if the owner was legally responsible for a loss or damage, but through no fault of their own.</p>	<p>Essentially caps an owner's liability for the strata insurance deductible where damage is the owner's responsibility but not resulting from any act or omission.</p> <p>This change will take effect by regulation.</p>
<p>Identify when stratas are not required to get full insurance coverage.</p>	<p>Will help strata corporations comply with the <i>Strata Property Act</i>. The change takes effect upon Royal Assent, but the details will be determined by regulation;</p>
<p>Strengthen depreciation reporting requirements, including limiting the ability to use existing loopholes in the legislation to avoid completing depreciation reports.</p>	<p>Moves to regulations provision that set out timing and other rules respecting depreciation reports. Also removes the ability of a strata corporation to opt out of depreciation reports, even for stratas with fewer than five strata lots (although the regulation-making power allows for exemptions).</p> <p>These changes will take effect by regulation.</p>
<p>Change the minimum required contributions made by strata unit owners and developers to a strata corporation's contingency reserve fund.</p>	<p>Could help set more realistic strata fees for new developments; some developers now set artificially low fees to make the units attractive, causing significant increases after the first AGM. The contributions will be determined by regulation, which gives government more flexibility (and power) to make changes.</p> <p>These changes will take effect by regulation</p>

Require brokers to disclose the amount of their commission.	The change takes effect by regulation.
Strengthen notification requirements to strata corporations of changes to insurance coverage and costs, or an intent not to renew.	We recommended this in our April 2020 brief to MLAs. This change will be effective when the bill receives Royal Assent.