

Lia's Guide to All Things Strata Insurance



What is Strata Insurance and what does it cover you for? We provide insights on the most common questions we get asked about Strata Insurance on a daily basis.

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1. What is Strata Insurance?

[Strata Insurance](#) is designed to protect you and your property as a lot owner. It provides general insurance cover for common property under the management of a strata title or body corporate entity.

The premiums for Strata Insurance are typically shared amongst the lot owners as part of their strata fees and levies.

2. Is Strata Insurance mandatory?

Holding Strata Insurance is mandatory under each state's relevant strata legislation. However, each state and territory has different legislative requirements that deal with insurance for strata title properties.

You should always check that your insurance meets those legislative requirements. If your property is professionally managed, your Strata Manager will usually arrange this insurance on your behalf.

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3. What is covered under a Strata Insurance policy?

[Strata Insurance](#) policies cover material damage as a result of an insured peril to structural fixtures including fixed plant, machinery and underground services.

These policies also provide cover for owners' fixtures, fittings and improvements which form part of the building. Some of these items may include built-in ovens, stovetops, kitchen cupboards, hand basins, baths and showers. Common Policy Features include:

- **Public Liability** | Covers the legal liability of the Owners Corporation. This does not insure the liability of the unit owner, except where liability relates to the Owners Corporation's property or common contents.
- **Common Contents** | Covers appliances, equipment, furniture, carpets, fittings and works of art in any common area for which the Owners Corporation is responsible.
- **Loss of Rent and/or Alternative Accommodation** | If a unit becomes uninhabitable as a result of an insured peril, the unit owner can claim for loss of rent or alternative accommodation during the period that the premises are unfit for occupancy, based on the rental value of a unit, subject to approval by the insurer.

Personal Accident for Voluntary Workers

| Provides compensation to any person who carries out voluntary works on behalf of the Owners Corporation. The volunteer worker's name must be recorded in the books of the Owners Corporation. This is a compulsory insurance under NSW Strata Legislation

4. What is not covered under a Strata Insurance policy?

[Strata Insurance](#) specifically excludes contents within individual units such as carpets, curtains, blinds, light fittings and electrical appliances not actually wired into the premises. These items should be insured by your Contents Insurance or Landlord Insurance policy.

5. What is the recommended level of Public Liability Insurance for a Strata property?

In Australia, **different states have different statutory requirements for Public Liability Insurance** when it comes to Strata properties.
NSW

As of November 30, 2016 the minimum liability insurance statutory requirement for NSW Strata property entities is increasing from \$10,000,000 to \$20,000,000. Therefore, \$20,000,000 is the minimum level of Public Liability Insurance we recommend.

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Other states & territories

In all states and territories (excluding NSW) the statutory requirement and minimum level of Public Liability Insurance required for each Strata property entity is \$10,000,000.

It should be recognised however that the standard liability limits currently offered with domestic home and contents insurance is between \$20,000,000 and \$30,000,000. Accordingly, we recommend that you **always insure for a minimum of \$20,000,000 liability**.

If you are still unsure and would like to discuss Public Liability Limits for your Strata entity, please call your Whitbread Strata Insurance Broker to ask for advice specific to your situation.

6. Does the Owners Corporation need to get a valuation on the building?

The law requires that buildings are insured for their full replacement and reinstatement value. Whitbread recommend that the Owners Corporation obtain a professional property valuation every three years.

If you require any information about how you are covered under a Strata Insurance policy, including optional extras that are available, please contact your Owners Corporation Manager or speak with one of our specialist Strata Insurance brokers by calling us on 1300 424 627.

This article is general advice only. It is not intended as personal advice and you should not rely on it as a substitute for any form of advice. Please contact Whitbread Associates Pty Ltd ABN 69 005 490 228 Licence Number: 229092 trading as Whitbread Insurance Brokers for further information or refer to our website - www.whitbread.com.au.

7. What if I rent out my strata property?

Strata Property owners who rent out their property need to purchase [Landlord Insurance](#) as a separate policy to the [Strata Insurance](#). [Landlord Insurance](#) provides insurance protection for your liability as a Landlord. In addition, the insurance provides for Landlord's contents, loss of rent by an insured peril and various other benefits.

8. What if I live in my property?

As an owner occupier of a property, you should arrange a Contents Insurance policy. This will provide cover for your furniture, personal contents, jewellery, collections and other special items. In addition to this, Contents Insurance policies provide legal liability protection for any damage to third party property or third party injuries that may occur anywhere in Australia.

