



ISO2 FACT SHEETS

TYPES OF OWNERS CORPORATION INSURANCE INSURANCE SERIES 02



IMPORTANT NOTE:



Your owners corporation should get professional advice about its level of risk. Some owners corporations have lots with different uses (**for example**, residences and shops), which can mean significant differences in risk



A

PUBLIC LIABILITY INSURANCE

Public liability insurance covers your owners corporation's liability to pay compensation in the case of any **damage or loss of property or injury, illness or death of a person**

Owners corporations with common property, except two-lot subdivisions, must have public liability insurance of not less than \$10 million for the common property.



B

INSURANCE FOR MULTI-STOREY DEVELOPMENTS

An owners corporation must take out both reinstatement & replacement insurance and public liability insurance for all lots in a multi-storey development if any of the lots are above or below another lot or common property

THIS IS NOT THE CASE WHEN:

- The lots are actually single-storey, such as multi-storey plans that define the space above and below the lots as common property
- The multi-storey development was registered under the Strata Titles Act 1967 or Cluster Titles Act 1974 and does not have lots above or below one another.



C

INSURANCE FOR MIXED-USE OWNERS CORPORATIONS

Developments with lots used for different purposes, such as shops and homes, are called 'mixed use'. The cost of insurance may be higher for some lots than others in a mixed-use development. **Specific lots within an owners corporation can pay an extra premium for increased risk.**

If your owners corporation cannot insure the common property on reasonable terms, the owners corporation may apply to the **Victorian Civil and Administrative Tribunal** for an exemption from the required insurance.

Individual lots owners can take out their own insurance cover in regard to destruction of or damage to their lot or their interest in the common property. This can be separate to or over and above the insurance provided by the owners corporation.



D

OTHER INSURANCE

- Office bearers' legal liability
- Voluntary workers insurance (a form of personal accident cover)
- Workers compensation
- Common property contents (for items such as carpet and paintings in foyers)
- Machinery breakdown
- Catastrophe insurance
- Lot owners' improvements to the building
- Legal defence expenses
- Government audit costs
- Appeal expenses
- Fidelity guarantee

[<https://www.consumer.vic.gov.au/housing/owners-corporations>]

IT'S ABOUT YOU

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SOURCE:

