

What's going on

September 23, 2011

Home Insurance and Co-ownership

True, you're not legally required to have home insurance. However, it's important that you protect this key asset. And it's very likely that your declaration of co-ownership requires you purchase insurance as a co-owner-occupier.

Two insurance policies are in effect for condominiums, one for each co-owner's private portion and one for the condominium syndicate's portion. In case of loss, these two policies could split the compensation.

As a co-owner, you are responsible for insuring:

- Your personal property
- Your civil liability
- The improvements made since the construction

The condominium syndicate

Your building's condominium syndicate is required by law (Quebec Civil Code) to have insurance against the usual perils (theft, fire, etc.). It must hold insurance for an amount that corresponds to the replacement cost of the building.

Its insurance must also cover:

- The common portions, such as lobbies, corridors, stairs, elevators or roof.
- The building portions of the private portions (units of each co-owner), such as walls, floors or windows.
- Property which belongs to it, such as the furniture on the roof deck.
- Civil liability of the syndicate (mandatory).
- Administrators' liability.

The insurance of the syndicate covers all damage to the building, taking into account the plans and specifications of the general contractor that built the building, for both the common and private portions.

For example, if you have a fireplace in your condo and decide to replace the original covering with marble, this is an improvement. After a loss, the syndicate's insurance will restore your fireplace to the state it was in at the time of construction, while your own home insurance will indemnify you for the difference in price for adding the marble.

It's important to consult your declaration of co-ownership to know exactly which insurance covers each part of the building.