



OWNING, LIVING OR RENTING IN A STRATA UNIT + INSURANCE

Aside from your own Strata Lot, as an Owner you have an undivided share of common property too. Common property could include any buildings, driveways, fencing, underground and overhead services, as shown on the strata plan. This means you, along with all of the other Owners of your scheme, are responsible for any liabilities that arise from common property ownership.

**A Strata Company is an unlimited liability company. Which means as a member of the Strata Company you do too. "*

Insurance Responsibilities as per The Strata Titles Act 1985 WA

The Western Australia Strata Titles Act 1985 (STA) outlines the insurance responsibilities of a Strata Company in Section 53 & 54.

The Strata Company shall insure the "building" for the replacement value, including all fees & charges as well as hold a minimum of \$5m legal liability insurance. Workers Compensation insurance is required by law and any other insurance as determined by the Strata Company.

**Watch out this is changing in the strata reforms to a minimum of \$10m legal liability Insurance. "*

What is defined as the "building"?

In Section 53, the STA describes the definition of "building"; and also includes –

(a) proprietors' (owners) improvements and proprietors' (owners) fixtures forming part of the building including paint and wallpaper but excluding carpet and temporary wall, floor and ceiling coverings.

So what are your (Owners) Fixtures and Fittings

As an Owner, it may be difficult to define what is classified as personal contents and what is classified as a fixture. A great rule of thumb is if it is attached or fixed to the building, it's a fixture of the building. If you can pick it up and take it with you, it's personal contents.

Please refer to the table set out to the right hand side >>

Strata Insurance - Proprietors (Owners) Fixtures & Fittings Examples



Stove built in (electrically gas plumbed to the building)



Built in Kitchen, Bathroom & Bedroom Furniture (usually attached to the building)



Nailed or glued down hard wooden flooring, tiles etc. Also, paint on walls or wallpaper in WA.



Electrical equipment wired to the electrical cabling, which includes fans, lights and split system air conditioning.



Toilets & Baths.

Personal Contents Insurance - Personal Contents (Moveable) Examples



Personal Items, valuables etc.



Tables, chairs and other loose furniture plus clothing, toys, electrical & electronic items.



Floating floors is wood flooring NOT glued or nailed onto the floor. Carpets as well. **NOTE - Floating floors are optional to insure under Strata Insurance or your contents insurance*



Screwed in or plugged in appliances, such as lamp, computer, toaster, microwave, fridge or dishwasher.



Other freestanding contents, not hard wired or hard plumbed to the building.

STRATA TITLE COMMON PROPERTY OWNERSHIP

Carpets

The STA specifically excludes carpets or other temporary floor, wall or ceiling covering, found inside a Lot. As an Owner you need to ensure your contents insurance covers these items. *Note that carpets or other fixtures found in Common Property are covered.

In summary, what does an Owner need to Insure?

An Owner is required to insure anything deemed as 'Contents'. This includes things like: Removable contents and chattels e.g. furniture, personal belongings, temporary fixtures - like floating floors and carpets etc.

Your Legal Liability Exposure

As an Owner, you also have legal liability exposure arising from the use of your Lot.

Whether you live in your Lot or you lease your property to a tenant, it is important to ensure that you have adequate and appropriate insurance protection for either scenario. For Owner Occupiers, you should ensure adequate insurance for your contents, but in the case of a rental property you would require Landlord's Protection Insurance to cover you from potential loss or damage caused by the tenant. Both policies will provide cover for legal liability insurance.

Does your Tenant need Insurance?

A tenant living in strata should also have contents insurance for themselves, similarly to cover their own contents, but also their legal liability. A tenant can become liable to the Strata Company for negligent claims that encroach beyond the confines of the Lot and extend into common property.

What about Commercial Fixtures?

When it comes to commercial strata, temporary fixtures (i.e. shop fit outs), that are installed inside a Lot and attached to the building for the period of the tenancy are not defined as part of the building and therefore are not covered by strata insurance IF they are removable at the end of the lease agreement.

General Disclaimer:

This article has been prepared for informational purposes only, and is not legal advice and should not be relied on as legal or insurance advice. You should consult with a qualified insurance or legal advisor.



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