



## Insurance in Strata

Aside from the fact you own a Lot in a strata scheme, 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 members of your scheme, are responsible for any liabilities that arise from common property ownership.

### The Insurance as required by - The Strata Titles Act 1985 WA (STA)

STA outlines the insurance responsibilities for a Strata Company & Lot Owner under s97 Required Insurance and for schemes that fall under Lots in Single Tier, this is referenced in Schedule 2A Part 5 Insurance - Schedule 2A, cl.53A-53E.

A Strata Company must insure the insurable assets for the replacement value, including all fees & charges relating to constructions costs as well hold a minimum of \$10m Legal Liability Insurance. Workers Compensation Insurance may also be required. This along with any other insurance as determined by the Strata Company.

*Strata insurance products will generally be able to cover the requirements as outlined above.*

### Insurance for scheme building & inside the Lot

Strata insurance will cover the insurable assets as describe by the STA for which the strata company must insure. This includes common property and any fixtures and improvements along with "scheme buildings", which includes parts of the building that does comprise of Lots .

Inside a Lot, strata insurance will extend to cover your fixtures & fittings that are attached to or form part of the building, such as built in furniture, that has been nailed, glued, hard wired or plumbed into the building. This includes paint and wallpaper but excluding carpet and temporary wall, floor and ceiling coverings.

### So what are your (Owners) Fixtures and Fittings

Special Note: As an Owner, it may be difficult to define what is classified as personal contents and what is classified as a built in 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 >>

### Fixtures & Fittings (inside a Lot) Examples (These are generally covered by Strata Insurance)



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.



If you have approval to install Solar Panels on a common property roof or your roof. Sustainability installation requires infrastructure contract with the strata company and as an Owner you become an Infrastructure Owner. is referenced in the STA.

### Personal Contents (Moveable)

Examples (These are not covered by strata insurance)



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.

### Carpets and Insurance

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 such items as your carpets.

\*Note that carpets or other fixtures found in Common Property are covered by strata insurance.

### Contents Insurance - Landlord Owner or Occupier

As a Landlord Owner or Occupier, you should insure anything deemed as 'Contents'. This includes things like movable contents and chattels e.g. furniture, personal belongings, temporary fixtures - like floating floors and carpets etc.

Obtaining contents and landlords insurance will include legal liability insurance, which covers your negligent exposure arising from the use of your Lot.

This is not covered by strata insurance. 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.

### 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.

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