

Helping you understand and explain the condo corporation crisis to your clients

## Major factors contributing to the crisis

Insurer risk tolerances



Inclement weather and claims frequency



General market challenges

### Did you know?

In 2016, 1.9 million Canadian households lived in condos, accounting for more than 13 per cent of Canadian homes.

### An industry perspective

IBC looks to educate the following groups on how to best navigate the current crisis.

### Stakeholders

- Condo owners
- Property managers
- Condominium corporations

### Insurance industry

- Individual companies
- Frontline brokers and agents

### Government

- Policymakers

## What is RSA doing about this?



Working with stakeholders to evaluate next steps

Offering the right products



Implementing risk mitigation tactics



Passing a standard unit bylaw and an insurance deductible bylaw



Excluding big ticket items, like flooring and countertops, from policies to minimize the number of claims



Installing water loss detection devices



Contingency funds

What to consider when planning on speaking with clients

Can you get ahead of their renewal when planning a call/discussion?

What they may not understand about their exposure

Have they recently reviewed the condo building policy limit?

Advice to brokers

Be informed

Take time to explain the market to your clients

Go beyond client emails



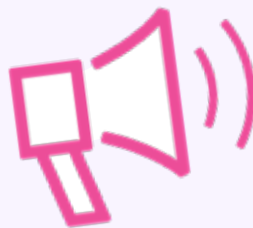
Advise condo clients separately



Prevention is key



Build trust



Test your knowledge:

1. What are the three major factors contributing to the condo corporation crisis, according to IBC?
2. How can changing a standard unit bylaw benefit a condo corporation when it comes to claims?
3. Name one of the ways condo corporations can mitigate risk.
4. When it comes to the condo crisis, why is broker education so important?

Answers:

1. Insurer risk tolerances, inclement weather and claims frequency, general market challenges.
2. A standard unit bylaw helps condo corporations determine insurance requirements and can minimize claims by allowing the corporation to charge independently caused damage back to the unit owner responsible.
3. Installing water loss detection devices.
4. Being educated on the topic means you can mitigate claims by helping your client understand their policies before issues arise.