

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



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



Installing water loss detection devices



Contingency funds



Educate individual unit owners on preventative measures

## 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 customers

Go beyond client emails



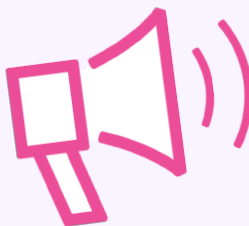
Advise condo clients separately



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 individual unit owners prevent or mitigate loss?
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. Implementing sprinkler head cages, turning off water or drain pipes when out of the unit for extended periods of time, or replacing rubber-style supply lines with braided metal are just a few ways that unit owners can prevent or mitigate loss.
3. Installing water loss detection devices.
4. Broker education can give you the tools and tips needed to help your client mitigate loss. It can help you ensure that your client is covered for various, unique losses a condo corporation or unit owner can be exposed to. As well, education around the topic can prepare you for difficult conversations with clients who have experienced large premium increases.