

# Table of contents

Preface .....	13
Acknowledgements.....	15
Introduction .....	17

## Chapter

## **The condo<sup>1</sup> insurance** .....

I. <b>Compulsory collective insurance</b> .....	21
a) Which body of law makes it compulsory? .....	21
b) Who takes out the insurance?.....	22
c) Who is the beneficiary of the insurance coverage?.....	23
d) How do I verify if our co-ownership is insured? .....	25

- 
- I. Editor's Note: Co-ownership is the word preferred by the drafters of the Civil Code of Québec, but it is not unusual in common language to use the following words: "condominium" or "condo".

2. The coverage .....	27
A. Property insurance. ....	27
a) What property should be covered? .....	27
b) Should the syndicate set up a register of the improvements made to private portions not covered by its insurance? .....	28
c) What movable property is excluded by the insurance coverage? .....	28
d) What are the risks covered by the policy? .....	29
e) What are the risks not covered? .....	30
f) What is equipment breakdown insurance? .....	31
g) What equipment is covered by equipment breakdown insurance? .....	32
h) Is the immovable insured for a sufficient value? .....	33
i) What does replacement cost mean? ..	34
j) How can one determine the replacement cost? .....	35
k) What is a chartered appraiser? .....	36
l) What happens if my co-ownership is not adequately insured? .....	37
m) What are the consequences of insufficient insurance coverage towards the insurer? .....	38

B.	Civil liability insurance of the syndicate . . . .	40
a)	Why must the syndicate insure its civil liability? . . . . .	40
b)	What is the purpose of civil liability insurance? . . . . .	41
c)	In which situations may the syndicate be held civilly liable? . . . . .	41
d)	How much coverage is needed? . . . . .	43
e)	What are the risks not covered? . . . . .	43
C.	Directors' civil liability insurance . . . . .	44
a)	Should the civil liability of the syndicate's directors be insured? . . . . .	44
b)	In which situations may the directors of the syndicate be held civilly liable? . . . . .	44
c)	How much coverage is needed? . . . . .	46
d)	What risks are not covered? . . . . .	46
e)	Who should pay the premium? . . . . .	47
D.	Property manager's civil liability insurance . . . . .	48
a)	Should your manager be insured? . . . . .	48
b)	By whom should he be insured? . . . . .	49
E.	Complementary insurances (Umbrella Policy) . . . . .	51
a)	What type of insurance is it. . . . .	51
b)	Who requires or chooses them? . . . . .	51

c)	What is the nature of these complementary insurances? . . . . .	52
i)	Coverage for professional fees . . . . .	52
ii)	Coverage for the fees payable to the insurance trustee . . . . .	52
iii)	Coverage for unpaid common charges (“condo fees”) . . . . .	53
iv)	Coverage for expenses attributable to legal provisions . . . . .	53
3.	How to purchase insurance – what information to provide to the insurer? . . . . .	54
4.	The insurance premium . . . . .	57
a)	How is the insurance premium calculated? . . . . .	57
b)	How to counter insurance premiums increases? . . . . .	59
c)	How to prevent losses and reduce their occurrences? . . . . .	61
d)	How to implement a preventive maintenance program? . . . . .	61
e)	How setting up an adequate contingency fund reduces losses? . . . . .	62
f)	How to reduce risk factors? . . . . .	64
g)	Can one omit to submit a claim to limit the premiums? . . . . .	65

5.	The insurance trustee and the substantial loss .....	67
a)	What is an insurance trustee and what are his duties? .....	67
b)	Must one resort to an insurance trustee and which body of law makes it compulsory? .....	68
c)	Who can be appointed an insurance trustee, when, and for how long? .....	70
d)	How to appoint an insurance trustee? .....	70
e)	How to select an insurance trustee? .....	71
f)	In what circumstances must he act? .....	72
g)	What is the scope of the mandate of the insurance trustee? .....	72
h)	What are the fees of an insurance trustee? .....	75
6.	Co-ownership by phases insurance .....	77
a)	What is a co-ownership by phases? .....	77
b)	What are the required insurance coverages for co-ownerships by phases? .....	81

I.	An optional but necessary insurance. ....	84
a)	Is it a compulsory insurance under the law? .....	84

b)	Can home insurance nevertheless be imposed upon you? . . . . .	85
c)	Why purchase said insurance? . . . . .	85
d)	What are the consequences if a co-owner neglects to get insurance? . . . . .	87
e)	Who should purchase home insurance? . . . . .	88
2.	<b>The coverage.</b> . . . . .	89
A.	Property insurance . . . . .	89
a)	What property should be covered? . . . . .	89
b)	What is an improvement made to a private portion? . . . . .	90
c)	How to determine the improvements made to a private portion? . . . . .	91
d)	Why are improvements made to a private portion not covered by the insurance policy of the syndicate? . . . . .	93
e)	How to determine the insurance coverage for improvements made to private portions? . . . . .	94
f)	How to determine the insurance coverage for your movable property? . . . . .	95

---

2. Editor's Note: In the Civil Code of Québec, the "condo association" is called a "syndicate".

B.	Civil liability insurance.....	96
C.	Other coverages: replacement cost, temporary relocation .....	99
3.	Purchasing insurance: What information to provide to the insurer? .....	100
4.	How to avoid duplicate insurance?.....	102
5.	Why purchase insurance for underinsurance of the syndicate's insurance? .....	104
6.	Is the deductible on the syndicate's policy a case of underinsurance? .....	107

Chapter

III

**Rental dwelling**

**insurance** .....

109

1.	An optional, but necessary insurance .....	109
a)	Why purchase said insurance?.....	109
b)	What coverage is needed.....	110
c)	How to insure the furniture included in a rented apartment? .....	113
2.	Your obligations as a non-occupant co-owner.....	114

Chapter

IV

**The tenant's**

**insurance** .....

117

1.	An optional, but necessary insurance .....	118
a)	Is it a compulsory insurance?.....	118

b)	What documents can make it compulsory?.....	119
c)	Who purchases it?.....	120
2.	<b>The coverage.</b> .....	121
a)	What is needed in terms of coverage?.....	121
b)	How should your tenant insure his furniture and belongings? .....	122
c)	What is a tenant's civil liability insurance? ..	123
d)	Other coverages: replacement cost, relocation .....	124
3.	<b>Purchasing insurance: What information to provide to the insurer?</b> .....	125

## Chapter

# V

## **The legal insurance** .....

a)	What is a legal insurance? .....	127
b)	What is the coverage offered by this insurance?.....	127
c)	Is it absolutely necessary to refer a matter to the Court?.....	128
d)	What is the difference between legal insurance and legal assistance services?.....	129
e)	In what way this insurance differs from my civil liability insurance policy coverage?.....	130



f)	Does this insurance cover mediation or arbitration costs? .....	130
g)	What is mediation or arbitration?.....	130
h)	Can I take advantage of this coverage for a pre-existing dispute? .....	131
i)	Is it included in my home insurance or my automobile insurance?.....	131
j)	Who is insured?.....	132
k)	Right to choose a lawyer .....	133

Chapter  
**VI**

**Purchase with or without an intermediary? .....**

135

a)	Who should I deal with? .....	135
b)	Should one deal directly with an insurer or require the services of a broker?.....	136
c)	What does a broker do? .....	137
d)	How much cost the services of a broker? .....	138
e)	Are all insurers the same? How to make a well-informed choice?.....	139

Chapter  
**VII**

**Reading the insurance policy.....**

143

a)	What property is insured?.....	143
b)	What risks are insured? .....	144
c)	What is a complementary coverage? .....	144

- d) What are coverage conditions?..... 145
- e) What is an insurance term?..... 145
- f) What are the exclusions?..... 146
- g) What is a coverage limit?..... 148
- h) What is a deductible?..... 149

Chapter  
**VIII**

**How to renegotiate  
your insurance policy..... 151**

- a) What should be negotiated? ..... 151
- b) Do you have the right to terminate  
the policy before its term?..... 154
- c) What is an insurance proposal?..... 155
- d) Paying less, is it possible?..... 156

Chapter  
**IX**

**The relationship  
with your insurer..... 157**

Chapter  
**X**

**The cancellation  
of the insurance policy..... 161**

- a) Who may cancel the insurance policy?..... 161
- b) When, how, and for what reasons  
one may cancel the insurance policy?..... 162
- c) What are the consequences  
of a cancellation?..... 163

- a) What to do after a loss? ..... 165
- b) What is the delay of notice of claim? ..... 167
- c) What are the consequences of  
not declaring a loss? ..... 168
- d) What is a claim adjuster? ..... 172
- e) After the loss, the repair work? ..... 174
- f) What about the deductible? ..... 175
- g) How to reach a satisfactory  
settlement of the loss? ..... 176

- a) What to do when the indemnity  
offered is insufficient? ..... 177
- b) What to do if your insurer refuses  
to indemnify? ..... 179
- c) What to do if your insurer does not  
answer? ..... 179
- d) What are the available means  
to resolve a dispute? ..... 179

Proposed sample letters ..... 183

Bibliography ..... 215

Address book ..... 217