



# B.C. Strata Insurance 101

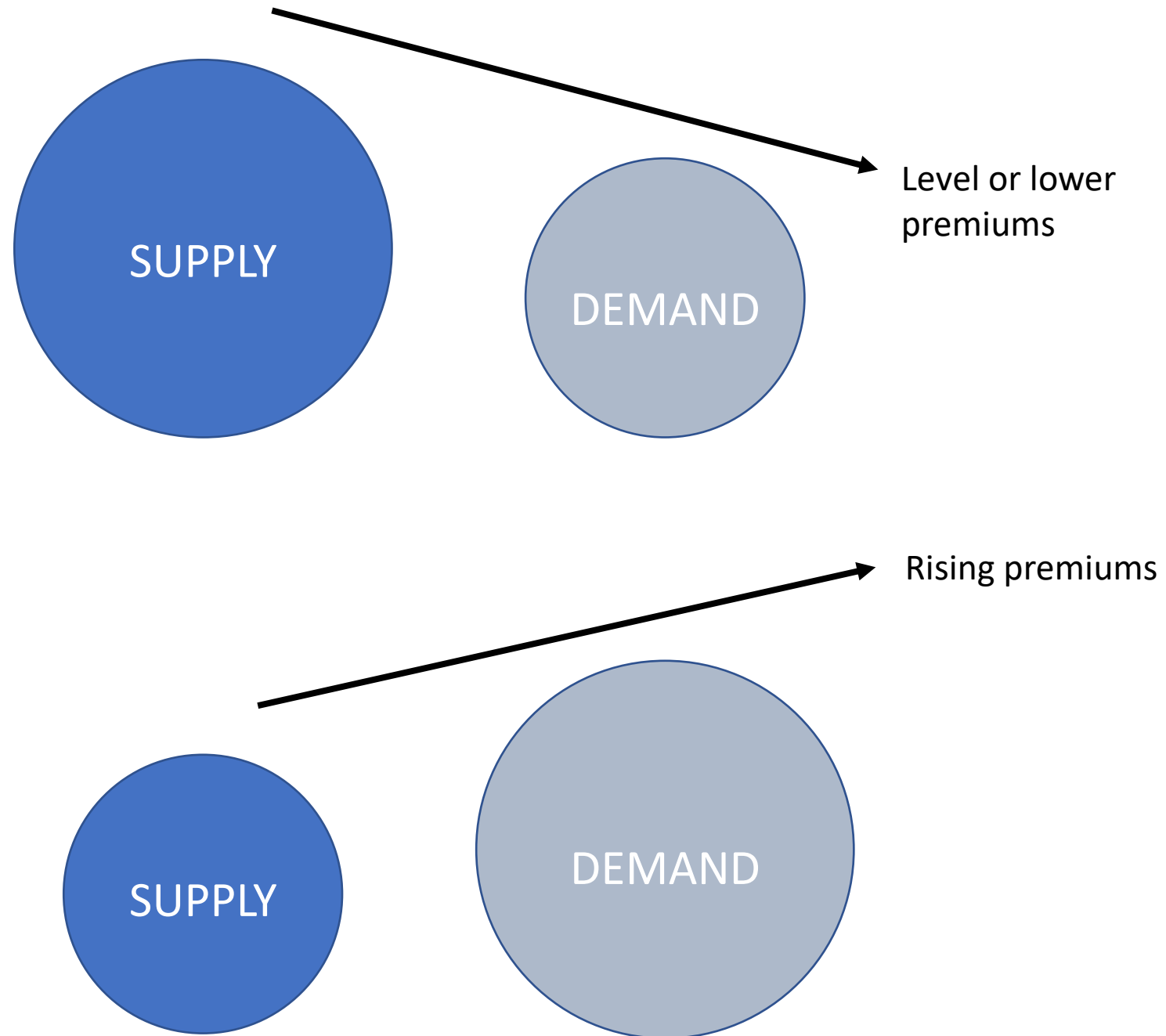
The Premise: Premiums of the many pay  
the losses of the few.

Chuck Byrne AIC, IBABC  
Executive Director

# Insurance Brokers Association of British Columbia

- ❖ *The trade association for B.C. brokers specializing in property and casualty insurance.*
- ❖ *900 locations in 140+ communities throughout the province.*
- ❖ *95% participation via voluntary membership.*
- ❖ *15,000 licensed personnel.*
- ❖ *Placing nearly \$9 billion in premiums reflecting all personal, corporate, construction and industrial insurance needs.*

Insurance is subject to the forces of supply and demand.



# Factors Affecting Demand:



Inflation – including the impact on Total Insured Value (TIV)



New inventory/economy



Increasing repair and building costs – bylaw and code

Factors  
affecting  
Supply:

## Global factors

- Investment capital
- Catastrophic losses
- Rising trends on climate and weather-related losses

Factors  
affecting  
Supply:

## High Level – Structure

- Global Capital & Reinsurance
- Primary Insurers (CDN licensed)
- Free market/willingness to participate
- Niche or mix of risk appetite

# B.C. local conditions



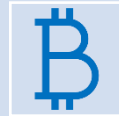
Strata building and condo unit claims/accountability



Earthquake risk (supply/capacity)



Insurers exiting strata insurance market



Premiums historically low (10 years+), highly competitive



Insurers behind the curve: fast growth of strata sector, increasing construction and reconstruction costs

# Losses/Claims Management:

- Aging infrastructure & delayed retrofit.
- The spread of risk dynamic (building vs unit).
- Strata Property Act (SPA) recommendations
  - building **vs.** unit owner's insurance coverage.
    - Standard unit definition – (bare)
- SPA recommendations
  - unit owner insurance.
    - Loss assessment cap – \$50K?



# Issue Management:

- B.C. Regulator (BCFSA/MoF) - Call for Data and review of environment.
- National Regulatory/Industry review planned and underway.
- “Work Ahead” strategy.
- Possible “Risk Pooling” initiative for uninsurable risks.
- Wood construction issues – wood high rises – code vs. desirability to insure.

# Risk Management: Universal



Strata Council

Unit owners/future owners

Building manager

Property manager

Insurance broker

Insurance company

# Risk Management: Schedule of Inspections

All water appliances

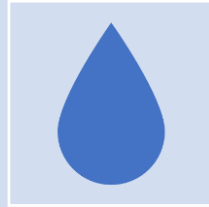
All hoses and plumbing

Smoke and CO<sup>2</sup> detectors

Fire extinguishers and sprinkler systems

HVAC and all other building systems

# Risk Management: Technology



Water flow meters



Water leak detectors



Thank you  
for this  
opportunity.

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