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Condominium insurance

Condominium corporations and unit owners all need to obtain and maintain insurance.

Insurance by a condominium corporation

A condominium corporation must hold property insurance covering loss from destruction or damage caused by fire or any other peril defined in the *Condominium General Regulation* (the regulation) such as lightning, water escape and vandalism, or as specified in the condominium corporation's bylaws.

They must also insure:

- any common property and common assets;
- any fixtures that were part of the original construction; and
- condominium units (other than bare land units)

A condominium corporation may also hold insurance against additional perils that are not identified in the regulations and bylaws.

Insurance on bare land condominiums and managed real property

Condominium corporations are not required to insure buildings and improvements on bare land units – insurance for these is the unit owners' responsibility. Bare land condominiums with attached units (such as row-housing) can have managed real property, such as a shared roof, siding, exterior doors, exterior windows, etc. It will be a condominium corporation's responsibility to maintain and insure managed real property.

Insurance exemption and review

A condominium corporation is exempted from obtaining or maintaining insurance against specified perils if:

- there is no reasonable risk to property; or
- insurance is not reasonably available in the Yukon.

If a condominium corporation is unable to obtain or maintain insurance against a specified peril, then eligible voters, on an annual basis, can decide through a special resolution to:

- not maintain insurance for a specified peril;
- reduce the amount of insurance coverage against loss resulting from a particular peril; or
- increase the deductible amount.

Liability insurance for directors

The condominium corporation must maintain insurance against liability arising out of any act or omission of a director or officer carrying out their functions and duties.

Duty to report on insurance

The condominium corporation must review the adequacy of and report on insurance coverage at each annual general meeting, with a report on insurance coverage being provided to each unit owner and eligible voter at least seven days prior to the meeting. The corporation must also provide a copy of its insurance policy to an owner, purchaser or mortgagee of a unit within 30 days of receiving a written request.



Insurance by a unit owner

A unit owner must obtain and maintain general liability insurance for the minimum amount set out in the condominium corporation's bylaws or \$1,000,000, whichever is less. The insurance must cover property damage and bodily injury.

The unit owner may also obtain additional coverage for loss, damage, or the value of personal belongings and any improvements to the unit as desired.

An owner of a bare land unit may buy insurance for the buildings on the bare land unit.

Note: this fact sheet is based on the *Condominium Act, 2015* and its regulations which come into force October 1, 2022. It is intended as a simplified general resource and is not to be considered legal advice or legal opinion. Please seek legal advice about any specific issues.

Insurance placed by the developer

Before a condominium corporation is established, a developer must have insurance in place and make sure that the policy remains valid for four weeks after the corporation's first annual general meeting. This allows time for the newly elected board to arrange the required insurance.

Transition period for existing condominiums

A pre-existing condominium has up to 18 months after the *Condominium Act, 2015* comes into effect to comply with the new insurance rules.

The eligible voters may choose to comply with the insurance provisions of the Act prior to 18 months, if desired, by passing a resolution of the majority of eligible voters.

See the infographic sheet for more information on key timelines related to insurance requirements.