

# MEDIA RELEASE

**FOR IMMEDIATE RELEASE**

## **Two condo market issues: lack of maintenance and quality of construction**

Montreal, May 7, 2015 – With the condo inventory aging and water damage up sharply in recent years, Insurance Bureau of Canada (IBC) is urging condo owners to remain actively invested in the life of their building and make sure it's regularly maintained.

A recent SOM poll of condo owners in Quebec commissioned by IBC revealed that almost half of them didn't know what was covered by the condo corporation's insurance.

For some, buying a condo means never having to lift a finger again. However, this isn't a realistic approach. "Condo owners must get involved in managing and maintaining the building to make sure the best decisions are taken to preserve the value of their investment and avoid problems down the road", stressed Pierre Babinsky, IBC's Director of Communications and Public Affairs.

In fact, what the survey reveals is that a third of condo owners have never read their Declaration of Co-ownership. In other words, they don't know their responsibilities or those of the condo corporation and manager. Something of a paradox, since it didn't stop the vast majority of them - nearly 90% - from saying they were "fairly" or "very" confident their condo corporation was handling things well.

### **Water damage up**

In recent years, water damage has accounted for the majority of home insurance claims, and condos are no exception. In Quebec, for every dollar paid out in claims, 50 cents goes towards paying for water damage. An aging real estate inventory, extreme weather conditions and lack of maintenance, as well as the quality of the construction and repairs, are all among the causes given.

The increase in damages and claims has now led insurers to tighten the insurance market for condo corporation and adjust premiums and deductible accordingly.

A survey carried out in 2014 among insurers also revealed that 50% of claims for water damage in condos were due to problems with pipes, 33% to water seepage and 6% to broken water heaters. It doesn't take much to realize that nearly 90% of claims related to water damage could have been avoided thanks to preventive maintenance and better quality of construction and repairs.

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“Claims frequency for a building can impact the risk assessment it represents for an insurer. This is why IBC is urging all those involved in every aspect of condo ownership to work together to find solutions that will ensure this increasingly popular housing of choice is here to stay”, added Mr. Babinsky.

Among the measures that can help prevent damage, IBC is reminding everyone about the importance for a condo corporation to keep a maintenance log, have a contingency fund that can meet any eventuality and keep an up-to-date record of all the repairs carried out. And condo owners have a role to play in all this.

The [infoinsurance.ca](http://infoinsurance.ca) web site provides very relevant information about condominium ownership.

**About Insurance Bureau of Canada**

[Insurance Bureau of Canada](http://Insurance Bureau of Canada), which groups the majority of Canada’s P&C insurers, offers various services to consumers to inform and assist them when purchasing car or home insurance, or making a claim.

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